

nonrenewed, or cancelled. Upon request, Permittee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Permit.

H. Liens: The Permittee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with the Permittee's consent to be furnished to or for the Permittee in, upon, or about the Premises or improvements thereon, which may be secured by any mechanic's, materialmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Permittee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Permittee to procure a payment bond in the amount of the contested lien.

I. Assignment of Interest of Rights: The Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Permit, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

K. Warranties/Guarantees: The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance With Law: Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, and minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's Executive Director, or the Executive Director's designee.

M. Notices: All notices required under this Permit shall be sent to the addresses set forth below:

Marine Vacuum Service, Inc.
1516 Graham Street
Seattle, WA 98108
Attn: John Somes

Port of Portland
5555 N. Channel Ave., Bldg. 50
Portland, OR 97217
Attn: Contracts Administrator

N. Hazardous Substances: No use may be made of, on, or from the Premises relating to the handling, storage, disposal, transportation, or discharge of Hazardous Substances, as that term is defined in Section O below, except for uses which are incidental to any business conducted

on the Premises, the primary purpose of which is not the handling, storage, disposal, transportation, or discharge of Hazardous Substances. All of such uses shall be in strict conformance with all applicable federal, state, or local laws, rules, and regulations, as the same may be amended from time to time.

The Permittee shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release, or disposal of a Hazardous Substance, as defined herein, on, under, or adjacent to the Premises, or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to the Permittee or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises. In the event of a leak, spill, or release of a Hazardous Substance on the Premises or the threat of or reasonable suspicion of the same, for which Permittee is responsible under this Permit or any law or regulation, the Permittee shall, at its own cost and expense, immediately undertake all emergency response necessary to contain, clean up, and remove the Hazardous Substance and shall undertake within a reasonable time all investigatory, remedial, and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substances is eliminated, and the Premises restored to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations, and the Port shall have the right to approve all investigatory, remedial, and removal procedures and the company(ies) and/or individual(s) conducting said procedures. Within 30 days following completion of such investigatory, remedial, and/or removal action, the Permittee shall provide the Port with a certification acceptable to the Port that all such contamination has been eliminated. Any costs incurred by or assessed against the Port shall be paid by Permittee promptly after the Port incurs the obligation to pay such amounts or determines that an assessment is duly owing and so notifies the Permittee.

O. Hazardous Waste Indemnity: In addition to the indemnity provided in Section E above, Permittee agrees to indemnify, hold harmless, and defend the Port and the Port's commissioners, directors, officers, employees, agents, and contractors from and against all Costs (as defined below) incurred or assessed under Environmental Laws (as defined below), which Costs arise out of, are in connection with, or are a result of the acts or omissions of the Permittee, or Permittee's officers, directors, employees, agents, representatives, contractors, invitees or any other person or entity acting by or on behalf of the Permittee:

(A) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances (as defined below), including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and

telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(B) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (as defined below) or relate to the protection of human health, safety or the environment, including but not limited to, the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. §6901 et seq.); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601, et seq.); the Toxic Substances Control Act (15 U.S.C. §2601, et seq.); Superfund Amendment and Reauthorization Act of 1986 (SARA) (P.L. 99-499, October 17, 1986); the Solid Waste Disposal Act (42 U.S.C. §3251, et seq.); the Federal Insecticide, Fungicide and Rodenticide Act/Pesticide Act (7 U.S.C. §13 et seq.); the Safe Drinking Water Act (44 U.S.C. §300(f) et seq.); the Clean Air Act (42 U.S.C. §7401 et seq.); the Federal Water Pollution Control Act/Clean Water Act (33 U.S.C. §1251 et seq.); the Oil Pollution Control Act of 1990 (33 U.S.C. §2761 et seq.); the Oregon Revised Statutes relating to community information on hazardous waste reduction (ORS 453.307 et seq.); toxic use reduction and hazardous waste reduction (ORS 465.003 et seq.); environmental cleanup of hazardous substances, hazardous wastes, and oil contamination (ORS 465.200 et seq.); notice of environmental hazards (ORS 466.360 et seq.); treatment, storage, and disposal of hazardous waste and PCBs (ORS 466.005 et seq.); use of PCBs (ORS 466.505 et seq.); spill response and cleanup of hazardous materials and oil (ORS 466.605 et seq.); underground storage tanks (ORS 466.705 et seq.); penalties for noncompliance (ORS 466.880 et seq.); water pollution control (ORS 468.691 et seq.); oil spills (ORS 468.780 et seq.); asbestos abatement (ORS 468.875 et seq.); any similar or equivalent laws; and any implementing laws, regulations, rules, and ordinances.

(C) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include without limitation asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.

(D) "Premises" shall be deemed to include the soil and water table thereof.

Permittee shall, at its sole expense, defend any and all actions, suits, and proceedings for which Permittee is responsible relating to matters covered by the indemnity set forth in Section O which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against the Port in any such action or proceeding.

P. Security of Oily Marine Ballast Water or Slops: Permittee shall take all reasonable steps to ensure that nobody will add anything to oily marine ballast water or slops delivered

pursuant to this Permit between the time Permittee receives the oily marine ballast water or slops from the Company and the time Permittee delivers it to the BWTP. Reasonable steps shall include but not be limited to locking and sealing tanks on trucks used to transport oily marine ballast water or slops to PSY under this Permit.

Q. Entire Agreement: This Permit represents the entire agreement between the parties, and supersedes all prior or contemporaneous agreements or communication, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

Marine Vacuum Service, Inc.

John H. Sömes
Signature

John H. Sömes
Typed Name

Operations
Title

March 24, 1994
Date

Port of Portland

Mike Thomas
Authorized by
Executive Director

Title

APPROVED AS TO LEGAL SUFFICIENCY
Mike Thomas AUG 19 1994
Executive Director

03/11/94 - I:\BROOKS\LEGAL\PERMITS\BOILERPL\BWTP.doc

**PORT OF PORTLAND
PERMIT AND RIGHT-OF-ENTRY
FOR USE OF BALLAST WATER TREATMENT PLANT
PORTLAND SHIP YARD**

Date Issued: 1/20/95
Permit No.: P00995

PERMITTEE:

Pacific Dynamics Corporation
5555 N. Channel Ave., Bldg. 2
Portland, OR 97217

Contact: Daniel S. Goll
Phone: (503) 289-7574

E.P.A. ID No.: OR DDDDD 86371

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described Premises in accordance with the terms and conditions set forth below.

A. Premises and Permitted Use: The "Premises" consist of those portions of the Portland Ship Yard ("PSY") over which Permittee must pass to reach the Ballast Water Treatment Plant ("BWTP"). Permittee may use the Premises for the limited purpose of transfer by truck of oily marine ballast water or slops to the BWTP. Port may accept oily marine ballast water or slops only if the material meets the Port's standards for acceptability and the Port has capacity at the BWTP to handle the material. Permittee shall not deliver or attempt to deliver non-marine material to the BWTP. Oily marine ballast water or slops generated outside PSY must be pre-approved by special application to the Port by the company generating the product. **THE PORT RESERVES THE RIGHT TO REFUSE OILY MARINE BALLAST WATER OR SLOPS FOR ANY REASON AND TO REQUIRE A CERTIFICATE OF CHEMICAL ANALYSIS PRIOR TO ACCEPTANCE OF ANY MATERIAL.**

Permittee agrees to comply with all Port policies, procedures, rules and regulations relating to use of the BWTP, including but not limited to rules adopted by the Port's Executive Director or Director of the Portland Ship Yard. Permittee shall furnish its E.P.A. Identification number, a Coast Guard Certificate of Adequacy, and current licenses, permits or inspection certificates for vehicles coming into PSY.

B. Term of Permit: The term of the Permit shall be January 1, 1995 through December 31, 1995, unless terminated as provided herein.

C. Compensation to be Paid by Permittee: Permittee shall owe no compensation for use of the BWTP, provided that Permittee acts only as a hauler of oily marine ballast water or slops.

The company generating the oily marine ballast water or slops ("Company") will be responsible for payment to the Port for disposal, in accordance with the current PSY Price Schedule rates.

D. Port's Right to Terminate: Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit, verbally or in writing, at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity: Permittee is an independent contractor and agrees to fully indemnify, hold harmless and defend the Port, its commissioners, directors, officers, agents and employees from and against all claims, penalties, actions, damages, injuries, any financial loss or expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the acts or omissions of, or use or occupancy of the Premises by Permittee, its agents, contractors, invitees, employees, or any person or entity acting at the direction or under the control of Permittee.

F. No Benefit to Third Parties: The Port and Permittee are the only parties to this Permit and as such are the only parties entitled to enforce its terms. Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance: In addition to any special insurance requirements, Permittee shall maintain an occurrence form commercial general and automobile liability insurance policy or policies for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit or occasioned by reason of operations of the Permittee on or from the Premises with insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. Policies shall be endorsed to provide coverage for sudden and accidental pollution. Such insurance shall name the Port, its commissioners, directors, officers, and employees as additional insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Permittee is a qualified self-insured employer, a copy of Contractor's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised,

P.O. BOX 11126
PTLD, OR
97211

nonrenewed, or cancelled. Upon request, Permittee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Permit.

H. Liens: The Permittee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with the Permittee's consent to be furnished to or for the Permittee in, upon, or about the Premises or improvements thereon, which may be secured by any mechanic's, materialmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Permittee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Permittee to procure a payment bond in the amount of the contested lien.

I. Assignment of Interest of Rights: The Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Permit, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

K. Warranties/Guarantees: The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance With Law: Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, and minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's Executive Director, or the Executive Director's designee.

M. Notices: All notices required under this Permit shall be sent to the addresses set forth below:

Pacific Dynamics Corporation
5555 N. Channel Ave., Bldg. 2
Portland, OR 97217
Attn: Daniel S. Goll

Port of Portland
5555 N. Channel Ave., Bldg. 50
Portland, OR 97217
Attn: Contracts Administrator

N. Hazardous Substances: No use may be made of, on, or from the Premises relating to the handling, storage, disposal, transportation, or discharge of Hazardous Substances, as that term is defined in Section O below, except for uses which are incidental to any business conducted

on the Premises, the primary purpose of which is not the handling, storage, disposal, transportation, or discharge of Hazardous Substances. All of such uses shall be in strict conformance with all applicable federal, state, or local laws, rules, and regulations, as the same may be amended from time to time.

The Permittee shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release, or disposal of a Hazardous Substance, as defined herein, on, under, or adjacent to the Premises, or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to the Permittee or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises. In the event of a leak, spill, or release of a Hazardous Substance on the Premises or the threat of or reasonable suspicion of the same, for which Permittee is responsible under this Permit or any law or regulation, the Permittee shall, at its own cost and expense, immediately undertake all emergency response necessary to contain, clean up, and remove the Hazardous Substance and shall undertake within a reasonable time all investigatory, remedial, and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substances is eliminated, and the Premises restored to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations, and the Port shall have the right to approve all investigatory, remedial, and removal procedures and the company(ies) and/or individual(s) conducting said procedures. Within 30 days following completion of such investigatory, remedial, and/or removal action, the Permittee shall provide the Port with a certification acceptable to the Port that all such contamination has been eliminated. Any costs incurred by or assessed against the Port shall be paid by Permittee promptly after the Port incurs the obligation to pay such amounts or determines that an assessment is duly owing and so notifies the Permittee.

O. Hazardous Waste Indemnity: In addition to the indemnity provided in Section E above, Permittee agrees to indemnify, hold harmless, and defend the Port and the Port's commissioners, directors, officers, employees, agents, and contractors from and against all Costs (as defined below) incurred or assessed under Environmental Laws (as defined below), which Costs arise out of, are in connection with, or are a result of the acts or omissions of the Permittee, or Permittee's officers, directors, employees, agents, representatives, contractors, invitees or any other person or entity acting by or on behalf of the Permittee:

(A) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances (as defined below), including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and

telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(B) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (as defined below) or relate to the protection of health, safety or the environment.

(C) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include without limitation asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.

(D) "Premises" shall be deemed to include the soil and water table thereof.

Permittee shall, at its sole expense, defend any and all actions, suits, and proceedings for which Permittee is responsible relating to matters covered by the indemnity set forth in Section O which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against the Port in any such action or proceeding.

P. Security of Oily Marine Ballast Water or Slops: Permittee shall take all reasonable steps to ensure that nobody will add anything to oily marine ballast water or slops delivered pursuant to this Permit between the time Permittee receives the oily marine ballast water or slops from the Company and the time Permittee delivers it to the BWTP. Reasonable steps shall include but not be limited to locking and sealing tanks on trucks used to transport oily marine ballast water or slops to PSY under this Permit.

Q. Entire Agreement: This Permit represents the entire agreement between the parties, and supersedes all prior or contemporaneous agreements or communication, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

Pacific Dynamics Corporation

Signature

DANIEL S. GOLL

Typed Name

President

Title

January 12, 1995

Date

12/13/94 i:\brooks\legal\boxer\pl\bw\pmg25.doc

Port of Portland

Authorized by

Title

APPROVED AS TO LEGAL SUFFICIENCY

JAN 13 1995
Counsel, Port of Portland

PSY100003100

**PORT OF PORTLAND
PERMIT AND RIGHT-OF-ENTRY
FOR USE OF BALLAST WATER TREATMENT PLANT
PORTLAND SHIP YARD**

Date Issued: 1/17/95
Permit No.: P00795

PERMITTEE:

Riedel Environmental Services, Inc.
P.O. Box 5007
Portland, OR 97208

Contact: John Peterson
Phone: (503) 286-4656

E.P.A. ID No.: ORD980980023

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described Premises in accordance with the terms and conditions set forth below.

A. Premises and Permitted Use: The "Premises" consist of those portions of the Portland Ship Yard ("PSY") over which Permittee must pass to reach the Ballast Water Treatment Plant ("BWTP"). Permittee may use the Premises for the limited purpose of transfer by truck of oily marine ballast water or slops to the BWTP. Port may accept oily marine ballast water or slops only if the material meets the Port's standards for acceptability and the Port has capacity at the BWTP to handle the material. Permittee shall not deliver or attempt to deliver non-marine material to the BWTP. Oily marine ballast water or slops generated outside PSY must be pre-approved by special application to the Port by the company generating the product. **THE PORT RESERVES THE RIGHT TO REFUSE OILY MARINE BALLAST WATER OR SLOPS FOR ANY REASON AND TO REQUIRE A CERTIFICATE OF CHEMICAL ANALYSIS PRIOR TO ACCEPTANCE OF ANY MATERIAL.**

Permittee agrees to comply with all Port policies, procedures, rules and regulations relating to use of the BWTP, including but not limited to rules adopted by the Port's Executive Director or Director of the Portland Ship Yard. Permittee shall furnish its E.P.A. Identification number, a Coast Guard Certificate of Adequacy, and current licenses, permits or inspection certificates for vehicles coming into PSY.

B. Term of Permit: The term of the Permit shall be January 1, 1995 through December 31, 1995, unless terminated as provided herein.

C. Compensation to be Paid by Permittee: Permittee shall owe no compensation for use of the BWTP, provided that Permittee acts only as a hauler of oily marine ballast water or slops.

The company generating the oily marine ballast water or slops ("Company") will be responsible for payment to the Port for disposal, in accordance with the current PSY Price Schedule rates.

D. Port's Right to Terminate: Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit, verbally or in writing, at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity: Permittee is an independent contractor and agrees to fully indemnify, hold harmless and defend the Port, its commissioners, directors, officers, agents and employees from and against all claims, penalties, actions, damages, injuries, any financial loss or expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the negligence or wilful misconduct of Permittee or Permittee's directors, officers, employees, agents, contractors, invitees, or any other person or entity acting at the direction or under the control of Permittee.

F. No Benefit to Third Parties: The Port and Permittee are the only parties to this Permit and as such are the only parties entitled to enforce its terms. Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance: In addition to any special insurance requirements, Permittee shall maintain an occurrence form commercial general and automobile liability insurance policy or policies for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit or occasioned by reason of operations of the Permittee on or from the Premises with insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. Policies shall be endorsed to provide coverage for sudden and accidental pollution. Such insurance shall name the Port, its commissioners, directors, officers, and employees as additional insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Permittee is a qualified self-insured employer, a copy of Contractor's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised,

nonrenewed, or cancelled. Upon request, Permittee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Permit.

H. Liens: The Permittee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with the Permittee's consent to be furnished to or for the Permittee in, upon, or about the Premises or improvements thereon, which may be secured by any mechanic's, materialmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Permittee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Permittee to procure a payment bond in the amount of the contested lien.

I. Assignment of Interest of Rights: The Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Permit, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

K. Warranties/Guarantees: The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance With Law: Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, and minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's Executive Director, or the Executive Director's designee.

M. Notices: All notices required under this Permit shall be sent to the addresses set forth below:

Riedel Environmental Services, Inc.
P.O. Box 5007
Portland, OR 97208
Attn: John Peterson

Port of Portland
5555 N. Channel Ave., Bldg. 50
Portland, OR 97217
Attn: Contracts Administrator

N. Hazardous Substances: No use may be made of, on, or from the Premises relating to the handling, storage, disposal, transportation, or discharge of Hazardous Substances, as that term is defined in Section O below, except for uses which are incidental to any business conducted

on the Premises, the primary purpose of which is not the handling, storage, disposal, transportation, or discharge of Hazardous Substances. All of such uses shall be in strict conformance with all applicable federal, state, or local laws, rules, and regulations, as the same may be amended from time to time.

The Permittee shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release, or disposal of a Hazardous Substance, as defined herein, on, under, or adjacent to the Premises, or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to the Permittee or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises. In the event of a leak, spill, or release of a Hazardous Substance on the Premises or the threat of or reasonable suspicion of the same, for which Permittee is responsible under this Permit or any law or regulation, the Permittee shall, at its own cost and expense, immediately undertake all emergency response necessary to contain, clean up, and remove the Hazardous Substance and shall undertake within a reasonable time all investigatory, remedial, and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substances is eliminated, and the Premises restored to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations, and the Port shall have the right to approve all investigatory, remedial, and removal procedures and the company(ies) and/or individual(s) conducting said procedures. Within 30 days following completion of such investigatory, remedial, and/or removal action, the Permittee shall provide the Port with a certification acceptable to the Port that all such contamination has been eliminated. Any costs incurred by or assessed against the Port shall be paid by Permittee promptly after the Port incurs the obligation to pay such amounts or determines that an assessment is duly owing and so notifies the Permittee.

O. Hazardous Waste Indemnity: In addition to the indemnity provided in Section E above, Permittee agrees to indemnify, hold harmless, and defend the Port and the Port's commissioners, directors, officers, employees, agents, and contractors from and against all Costs (as defined below) incurred or assessed under Environmental Laws (as defined below), which Costs arise out of, are in connection with, or are a result of the negligence or wilful misconduct of the Permittee, or Permittee's officers, directors, employees, agents, representatives, contractors, invitees or any other person or entity acting at the direction of or under the control of the Permittee:

(A) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances (as defined below), including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and

paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(B) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (as defined below) or relate to the protection of health, safety or the environment.

(C) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include without limitation asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.

(D) "Premises" shall be deemed to include the soil and water table thereof.

Permittee shall, at its sole expense, defend any and all actions, suits, and proceedings for which Permittee is responsible relating to matters covered by the indemnity set forth in Section O which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against the Port in any such action or proceeding.

P. Security of Oily Marine Ballast Water or Slops: Permittee shall take all reasonable steps to ensure that nobody will add anything to oily marine ballast water or slops delivered pursuant to this Permit between the time Permittee receives the oily marine ballast water or slops from the Company and the time Permittee delivers it to the BWTP. Reasonable steps shall include but not be limited to locking and sealing tanks on trucks used to transport oily marine ballast water or slops to PSY under this Permit.

Q. Entire Agreement: This Permit represents the entire agreement between the parties, and supersedes all prior or contemporaneous agreements or communication, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

Riedel Environmental Services, Inc.


Signature

Michael A. Cunningham

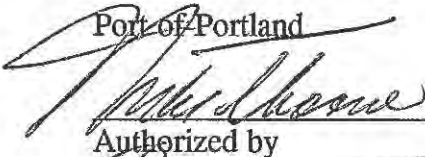
Typed Name

Vice President & Regional Manager
Title

January 3, 1995

Date

Port of Portland


Authorized by


Title

APPROVED AS TO LEGAL SUFFICIENCY

 JAN 10 1995
Council, Port of Portland

12/23/94 - I:\BROOKS\LEGAL\PERMITS\BOILERPL\RIEDEL95.doc

**PORT OF PORTLAND
PERMIT AND RIGHT-OF-ENTRY
FOR USE OF BALLAST WATER TREATMENT PLANT
PORTLAND SHIP YARD**

Date Issued: _____

Permit No.: _____

PERMITTEE:

Riedel Environmental Services, Inc.

P.O. Box 5007

Portland, OR 97208

Contact: John Peterson

Phone: (503) 286-4656

E.P.A. ID No.: ORD980980023

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described Premises in accordance with the terms and conditions set forth below.

A. Premises and Permitted Use: The "Premises" consist of those portions of the Portland Ship Yard ("PSY") over which Permittee must pass to reach the Ballast Water Treatment Plant ("BWTP"). Permittee may use the Premises for the limited purpose of transfer by truck of oily marine ballast water or slops to the BWTP. Port may accept oily marine ballast water or slops only if the material meets the Port's standards for acceptability and the Port has capacity at the BWTP to handle the material. Permittee shall not deliver or attempt to deliver non-marine material to the BWTP. Oily marine ballast water or slops generated outside PSY must be pre-approved by special application to the Port by the company generating the product.
THE PORT RESERVES THE RIGHT TO REFUSE OILY MARINE BALLAST WATER OR SLOPS FOR ANY REASON AND TO REQUIRE A CERTIFICATE OF CHEMICAL ANALYSIS PRIOR TO ACCEPTANCE OF ANY MATERIAL.

Permittee agrees to comply with all Port policies, procedures, rules and regulations relating to use of the BWTP, including but not limited to rules adopted by the Port's Executive Director or Director of the Portland Ship Yard. Permittee shall furnish its E.P.A. Identification number, a Coast Guard Certificate of Adequacy, and current licenses, permits or inspection certificates for vehicles coming into PSY.

B. Term of Permit: The term of the Permit shall be January 1, 1995 through December 31, 1995, unless terminated as provided herein.

C. Compensation to be Paid by Permittee: Permittee shall owe no compensation for use of the BWTP, provided that Permittee acts only as a hauler of oily marine ballast water or slops.

The company generating the oily marine ballast water or slops ("Company") will be responsible for payment to the Port for disposal, in accordance with the current PSY Price Schedule rates.

D. Port's Right to Terminate: Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit, verbally or in writing, at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity: Permittee is an independent contractor and agrees to fully indemnify, hold harmless and defend the Port, its commissioners, directors, officers, agents and employees from and against all claims, penalties, actions, damages, injuries, any financial loss or expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the negligence or wilful misconduct of Permittee or Permittee's directors, officers, employees, agents, contractors, invitees, or any other person or entity acting at the direction or under the control of Permittee.

F. No Benefit to Third Parties: The Port and Permittee are the only parties to this Permit and as such are the only parties entitled to enforce its terms. Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance: In addition to any special insurance requirements, Permittee shall maintain an occurrence form commercial general and automobile liability insurance policy or policies for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit or occasioned by reason of operations of the Permittee on or from the Premises with insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. Policies shall be endorsed to provide coverage for sudden and accidental pollution. Such insurance shall name the Port, its commissioners, directors, officers, and employees as additional insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Permittee is a qualified self-insured employer, a copy of Contractor's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised,

nonrenewed, or cancelled. Upon request, Permittee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Permit.

H. Liens: The Permittee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with the Permittee's consent to be furnished to or for the Permittee in, upon, or about the Premises or improvements thereon, which may be secured by any mechanic's, materialmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Permittee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Permittee to procure a payment bond in the amount of the contested lien.

I. Assignment of Interest of Rights: The Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Permit, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

K. Warranties/Guarantees: The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance With Law: Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, and minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's Executive Director, or the Executive Director's designee.

M. Notices: All notices required under this Permit shall be sent to the addresses set forth below:

Riedel Environmental Services, Inc.
P.O. Box 5007
Portland, OR 97208
Attn: John Peterson

Port of Portland
5555 N. Channel Ave., Bldg. 50
Portland, OR 97217
Attn: Contracts Administrator

N. Hazardous Substances: No use may be made of, on, or from the Premises relating to the handling, storage, disposal, transportation, or discharge of Hazardous Substances, as that term is defined in Section O below, except for uses which are incidental to any business conducted

on the Premises, the primary purpose of which is not the handling, storage, disposal, transportation, or discharge of Hazardous Substances. All of such uses shall be in strict conformance with all applicable federal, state, or local laws, rules, and regulations, as the same may be amended from time to time.

The Permittee shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release, or disposal of a Hazardous Substance, as defined herein, on, under, or adjacent to the Premises, or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to the Permittee or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises. In the event of a leak, spill, or release of a Hazardous Substance on the Premises or the threat of or reasonable suspicion of the same, for which Permittee is responsible under this Permit or any law or regulation, the Permittee shall, at its own cost and expense, immediately undertake all emergency response necessary to contain, clean up, and remove the Hazardous Substance and shall undertake within a reasonable time all investigatory, remedial, and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substances is eliminated, and the Premises restored to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations, and the Port shall have the right to approve all investigatory, remedial, and removal procedures and the company(ies) and/or individual(s) conducting said procedures. Within 30 days following completion of such investigatory, remedial, and/or removal action, the Permittee shall provide the Port with a certification acceptable to the Port that all such contamination has been eliminated. Any costs incurred by or assessed against the Port shall be paid by Permittee promptly after the Port incurs the obligation to pay such amounts or determines that an assessment is duly owing and so notifies the Permittee.

O. Hazardous Waste Indemnity: In addition to the indemnity provided in Section E above, Permittee agrees to indemnify, hold harmless, and defend the Port and the Port's commissioners, directors, officers, employees, agents, and contractors from and against all Costs (as defined below) incurred or assessed under Environmental Laws (as defined below), which Costs arise out of, are in connection with, or are a result of the negligence or wilful misconduct of the Permittee, or Permittee's officers, directors, employees, agents, representatives, contractors, invitees or any other person or entity acting at the direction of or under the control of the Permittee:

(A) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances (as defined below), including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and

paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(B) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (as defined below) or relate to the protection of health, safety or the environment.

(C) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include without limitation asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.

(D) "Premises" shall be deemed to include the soil and water table thereof.

Permittee shall, at its sole expense, defend any and all actions, suits, and proceedings for which Permittee is responsible relating to matters covered by the indemnity set forth in Section O which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against the Port in any such action or proceeding.

P. Security of Oily Marine Ballast Water or Slops: Permittee shall take all reasonable steps to ensure that nobody will add anything to oily marine ballast water or slops delivered pursuant to this Permit between the time Permittee receives the oily marine ballast water or slops from the Company and the time Permittee delivers it to the BWTP. Reasonable steps shall include but not be limited to locking and sealing tanks on trucks used to transport oily marine ballast water or slops to PSY under this Permit.

Q. Entire Agreement: This Permit represents the entire agreement between the parties, and supersedes all prior or contemporaneous agreements or communication, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

Riedel Environmental Services, Inc.

Port of Portland


Signature

Authorized by

Michael A. Cunningham

Typed Name

Title

Vice President & Regional Manager

Title

January 3, 1995

Date

12/23/94 - I:\BROOKS\LEGAL\PERMITS\BOILERPL\RIEDEL95.doc

**PORT OF PORTLAND
PERMIT AND RIGHT-OF-ENTRY
FOR USE OF BALLAST WATER TREATMENT PLANT
PORTLAND SHIP YARD**

Date Issued: 9/12/94
Permit No.: P02694

PERMITTEE:

Riedel Environmental Services, Inc.
P.O. Box 5007
Portland, OR 97208

Contact: John Peterson
Phone: (503) 286-4656

E.P.A. ID No.: ORD980980023

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described Premises in accordance with the terms and conditions set forth below.

A. Premises and Permitted Use: The "Premises" consist of those portions of the Portland Ship Yard ("PSY") over which Permittee must pass to reach the Ballast Water Treatment Plant ("BWTP"). Permittee may use the Premises for the limited purpose of transfer by truck of oily marine ballast water or slops to the BWTP. Port may accept oily marine ballast water or slops only if the material meets the Port's standards for acceptability and the Port has capacity at the BWTP to handle the material. Permittee shall not deliver or attempt to deliver non-marine material to the BWTP. Oily marine ballast water or slops generated outside PSY must be pre-approved by special application to the Port by the company generating the product. **THE PORT RESERVES THE RIGHT TO REFUSE OILY MARINE BALLAST WATER OR SLOPS FOR ANY REASON AND TO REQUIRE A CERTIFICATE OF CHEMICAL ANALYSIS PRIOR TO ACCEPTANCE OF ANY MATERIAL.**

Permittee agrees to comply with all Port policies, procedures, rules and regulations relating to use of the BWTP, including but not limited to rules adopted by the Port's Executive Director or Director of the Portland Ship Yard. Permittee shall furnish its E.P.A. Identification number, a Coast Guard Certificate of Adequacy, and current licenses, permits or inspection certificates for vehicles coming into PSY.

B. Term of Permit: The term of the Permit shall be September 12, 1994 through December 31, 1994, unless terminated as provided herein.

C. Compensation to be Paid by Permittee: Permittee shall owe no compensation for use of the BWTP, provided that Permittee acts only as a hauler of oily marine ballast water or slops.

The company generating the oily marine ballast water or slops ("Company") will be responsible for payment to the Port for disposal, in accordance with the current PSY Price Schedule rates.

D. Port's Right to Terminate: Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit, verbally or in writing, at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity: Permittee is an independent contractor and agrees to fully indemnify, hold harmless and defend the Port, its commissioners, directors, officers, agents and employees from and against all claims, penalties, actions, damages, injuries, any financial loss or expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the negligence or wilful misconduct of Permittee or Permittee's directors, officers, employees, agents, contractors, invitees, or any other person or entity acting at the direction or under the control of Permittee.

F. No Benefit to Third Parties: The Port and Permittee are the only parties to this Permit and as such are the only parties entitled to enforce its terms. Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance: In addition to any special insurance requirements, Permittee shall maintain an occurrence form commercial general and automobile liability insurance policy or policies for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit or occasioned by reason of operations of the Permittee on or from the Premises with insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. Policies shall be endorsed to provide coverage for sudden and accidental pollution. Such insurance shall name the Port, its commissioners, directors, officers, and employees as additional insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Permittee is a qualified self-insured employer, a copy of Contractor's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised,

nonrenewed, or cancelled. Upon request, Permittee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Permit.

H. Liens: The Permittee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with the Permittee's consent to be furnished to or for the Permittee in, upon, or about the Premises or improvements thereon, which may be secured by any mechanic's, materialmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Permittee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Permittee to procure a payment bond in the amount of the contested lien.

I. Assignment of Interest of Rights: The Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Permit, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

K. Warranties/Guarantees: The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance With Law: Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, and minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's Executive Director, or the Executive Director's designee.

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Attn: John Peterson

Port of Portland
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on the Premises, the primary purpose of which is not the handling, storage, disposal, transportation, or discharge of Hazardous Substances. All of such uses shall be in strict conformance with all applicable federal, state, or local laws, rules, and regulations, as the same may be amended from time to time.

The Permittee shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release, or disposal of a Hazardous Substance, as defined herein, on, under, or adjacent to the Premises, or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to the Permittee or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises. In the event of a leak, spill, or release of a Hazardous Substance on the Premises or the threat of or reasonable suspicion of the same, for which Permittee is responsible under this Permit or any law or regulation, the Permittee shall, at its own cost and expense, immediately undertake all emergency response necessary to contain, clean up, and remove the Hazardous Substance and shall undertake within a reasonable time all investigatory, remedial, and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substances is eliminated, and the Premises restored to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations, and the Port shall have the right to approve all investigatory, remedial, and removal procedures and the company(ies) and/or individual(s) conducting said procedures. Within 30 days following completion of such investigatory, remedial, and/or removal action, the Permittee shall provide the Port with a certification acceptable to the Port that all such contamination has been eliminated. Any costs incurred by or assessed against the Port shall be paid by Permittee promptly after the Port incurs the obligation to pay such amounts or determines that an assessment is duly owing and so notifies the Permittee.

O. Hazardous Waste Indemnity: In addition to the indemnity provided in Section E above, Permittee agrees to indemnify, hold harmless, and defend the Port and the Port's commissioners, directors, officers, employees, agents, and contractors from and against all Costs (as defined below) incurred or assessed under Environmental Laws (as defined below), which Costs arise out of, are in connection with, or are a result of the negligence or wilful misconduct of the Permittee, or Permittee's officers, directors, employees, agents, representatives, contractors, invitees or any other person or entity acting at the direction of or under the control of the Permittee:

(A) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances (as defined below), including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and

paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(B) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (as defined below) or relate to the protection of human health, safety or the environment, including but not limited to, the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. §6901 et seq.); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. §9601, et seq.); the Toxic Substances Control Act (15 U.S.C. §2601, et seq.); Superfund Amendment and Reauthorization Act of 1986 (SARA) (P.L. 99-499, October 17, 1986); the Solid Waste Disposal Act (42 U.S.C. §3251, et seq.); the Federal Insecticide, Fungicide and Rodenticide Act/Pesticide Act (7 U.S.C. §13 et seq.); the Safe Drinking Water Act (44 U.S.C. §300(f) et seq.); the Clean Air Act (42 U.S.C. §7401 et seq.); the Federal Water Pollution Control Act/Clean Water Act (33 U.S.C. §1251 et seq.); the Oil Pollution Control Act of 1990 (33 U.S.C. §2761 et seq.); the Oregon Revised Statutes relating to community information on hazardous waste reduction (ORS 453.307 et seq.); toxic use reduction and hazardous waste reduction (ORS 465.003 et seq.); environmental cleanup of hazardous substances, hazardous wastes, and oil contamination (ORS 465.200 et seq.); notice of environmental hazards (ORS 466.360 et seq.); treatment, storage, and disposal of hazardous waste and PCBs (ORS 466.005 et seq.); use of PCBs (ORS 466.505 et seq.); spill response and cleanup of hazardous materials and oil (ORS 466.605 et seq.); underground storage tanks (ORS 466.705 et seq.); penalties for noncompliance (ORS 466.880 et seq.); water pollution control (ORS 468.691 et seq.); oil spills (ORS 468.780 et seq.); asbestos abatement (ORS 468.875 et seq.); any similar or equivalent laws; and any implementing laws, regulations, rules, and ordinances.

(C) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include without limitation asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.

(D) "Premises" shall be deemed to include the soil and water table thereof.

Permittee shall, at its sole expense, defend any and all actions, suits, and proceedings for which Permittee is responsible relating to matters covered by the indemnity set forth in Section O which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against the Port in any such action or proceeding.

P. Security of Oily Marine Ballast Water or Slops: Permittee shall take all reasonable steps to ensure that nobody will add anything to oily marine ballast water or slops delivered pursuant to this Permit between the time Permittee receives the oily marine ballast water or slops from the Company and the time Permittee delivers it to the BWTP. Reasonable steps shall include but not be limited to locking and sealing tanks on trucks used to transport oily marine ballast water or slops to PSY under this Permit.

Q. Entire Agreement: This Permit represents the entire agreement between the parties, and supersedes all prior or contemporaneous agreements or communication, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

Riedel Environmental Services, Inc.

Patrick C. Turina
Signature

Patrick C. Turina
Typed Name

District Manager
Title

September 7, 1994
Date

Port of Portland

James J. Kirk
Authorized by
Executive Director

Title

APPROVED AS TO LEGAL SUFFICIENCY

SEP 12 1994
James J. Kirk, Port of Portland

**PORT OF PORTLAND
PERMIT AND RIGHT-OF-ENTRY
FOR USE OF BALLAST WATER TREATMENT PLANT
PORTLAND SHIP YARD**

Date Issued: 4/17/95
Permit No.: P00895

PERMITTEE:

Spencer Environmental Services, Inc.
914 Molalla Ave., Suite 204
Oregon City, OR 97045

Contact: Donald M. Spencer
Phone: (503) 655-0896

E.P.A. ID No.: 980836415

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described Premises in accordance with the terms and conditions set forth below.

A. Premises and Permitted Use: The "Premises" consist of those portions of the Portland Ship Yard ("PSY") over which Permittee must pass to reach the Ballast Water Treatment Plant ("BWTP"). Permittee may use the Premises for the limited purpose of transfer by truck of oily marine ballast water or slops to the BWTP. Port may accept oily marine ballast water or slops only if the material meets the Port's standards for acceptability and the Port has capacity at the BWTP to handle the material. Permittee shall not deliver or attempt to deliver non-marine material to the BWTP. Oily marine ballast water or slops generated outside PSY must be pre-approved by special application to the Port by the company generating the product. **THE PORT RESERVES THE RIGHT TO REFUSE OILY MARINE BALLAST WATER OR SLOPS FOR ANY REASON AND TO REQUIRE A CERTIFICATE OF CHEMICAL ANALYSIS PRIOR TO ACCEPTANCE OF ANY MATERIAL.**

Permittee agrees to comply with all Port policies, procedures, rules and regulations relating to use of the BWTP, including but not limited to rules adopted by the Port's Executive Director or Director of the Portland Ship Yard. Permittee shall furnish its E.P.A. Identification number, a Coast Guard Certificate of Adequacy, and current licenses, permits or inspection certificates for vehicles coming into PSY.

B. Term of Permit: The term of the Permit shall be January 1, 1995 through December 31, 1995, unless terminated as provided herein.

C. Compensation to be Paid by Permittee: Permittee shall owe no compensation for use of the BWTP, provided that Permittee acts only as a hauler of oily marine ballast water or slops.

The company generating the oily marine ballast water or slops ("Company") will be responsible for payment to the Port for disposal, in accordance with the current PSY Price Schedule rates.

D. Port's Right to Terminate: Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit, verbally or in writing, at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity: Permittee is an independent contractor and agrees to fully indemnify, hold harmless and defend the Port, its commissioners, directors, officers, agents and employees from and against all claims, penalties, actions, damages, injuries, any financial loss or expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the acts or omissions of, or use or occupancy of the Premises by Permittee, its agents, contractors, invitees, employees, or any person or entity acting at the direction or under the control of Permittee.

F. No Benefit to Third Parties: The Port and Permittee are the only parties to this Permit and as such are the only parties entitled to enforce its terms. Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance: In addition to any special insurance requirements, Permittee shall maintain an occurrence form commercial general and automobile liability insurance policy or policies for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit or occasioned by reason of operations of the Permittee on or from the Premises with insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. Policies shall be endorsed to provide coverage for sudden and accidental pollution. Such insurance shall name the Port, its commissioners, directors, officers, and employees as additional insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Permittee is a qualified self-insured employer, a copy of Contractor's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised,

nonrenewed, or cancelled. Upon request, Permittee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Permit.

H. Liens: The Permittee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with the Permittee's consent to be furnished to or for the Permittee in, upon, or about the Premises or improvements thereon, which may be secured by any mechanic's, materialmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Permittee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Permittee to procure a payment bond in the amount of the contested lien.

I. Assignment of Interest of Rights: The Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Permit, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

K. Warranties/Guarantees: The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance With Law: Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, and minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's Executive Director, or the Executive Director's designee.

M. Notices: All notices required under this Permit shall be sent to the addresses set forth below:

Spencer Environmental Services, Inc.
914 Molalla Ave., Suite 204
Oregon City, OR 97045
Attn: Donald M. Spencer

Port of Portland
5555 N. Channel Ave., Bldg. 50
Portland, OR 97217
Attn: Contracts Administrator

N. Hazardous Substances: No use may be made of, on, or from the Premises relating to the handling, storage, disposal, transportation, or discharge of Hazardous Substances, as that term is defined in Section O below, except for uses which are incidental to any business conducted

on the Premises, the primary purpose of which is not the handling, storage, disposal, transportation, or discharge of Hazardous Substances. All of such uses shall be in strict conformance with all applicable federal, state, or local laws, rules, and regulations, as the same may be amended from time to time.

The Permittee shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release, or disposal of a Hazardous Substance, as defined herein, on, under, or adjacent to the Premises, or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to the Permittee or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises. In the event of a leak, spill, or release of a Hazardous Substance on the Premises or the threat of or reasonable suspicion of the same, for which Permittee is responsible under this Permit or any law or regulation, the Permittee shall, at its own cost and expense, immediately undertake all emergency response necessary to contain, clean up, and remove the Hazardous Substance and shall undertake within a reasonable time all investigatory, remedial, and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substances is eliminated, and the Premises restored to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations, and the Port shall have the right to approve all investigatory, remedial, and removal procedures and the company(ies) and/or individual(s) conducting said procedures. Within 30 days following completion of such investigatory, remedial, and/or removal action, the Permittee shall provide the Port with a certification acceptable to the Port that all such contamination has been eliminated. Any costs incurred by or assessed against the Port shall be paid by Permittee promptly after the Port incurs the obligation to pay such amounts or determines that an assessment is duly owing and so notifies the Permittee.

O. Hazardous Waste Indemnity: In addition to the indemnity provided in Section E above, Permittee agrees to indemnify, hold harmless, and defend the Port and the Port's commissioners, directors, officers, employees, agents, and contractors from and against all Costs (as defined below) incurred or assessed under Environmental Laws (as defined below), which Costs arise out of, are in connection with, or are a result of the acts or omissions of the Permittee, or Permittee's officers, directors, employees, agents, representatives, contractors, invitees or any other person or entity acting by or on behalf of the Permittee:

(A) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances (as defined below), including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and

telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(B) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (as defined below) or relate to the protection of health, safety or the environment.

(C) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include without limitation asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.

(D) "Premises" shall be deemed to include the soil and water table thereof.

Permittee shall, at its sole expense, defend any and all actions, suits, and proceedings for which Permittee is responsible relating to matters covered by the indemnity set forth in Section O which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against the Port in any such action or proceeding.

P. Security of Oily Marine Ballast Water or Slops: Permittee shall take all reasonable steps to ensure that nobody will add anything to oily marine ballast water or slops delivered pursuant to this Permit between the time Permittee receives the oily marine ballast water or slops from the Company and the time Permittee delivers it to the BWTP. Reasonable steps shall include but not be limited to locking and sealing tanks on trucks used to transport oily marine ballast water or slops to PSY under this Permit.

Q. Entire Agreement: This Permit represents the entire agreement between the parties, and supersedes all prior or contemporaneous agreements or communication, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

Spencer Environmental Services, Inc.


Signature

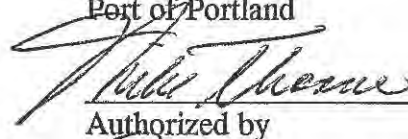
R.M. Lavadure
Typed Name

Oil Division Manager
Title

January 3, 1995
Date

12/13/94 i:\brookal\legal\boilerpl\bwipmg95.doc

Port of Portland


Authorized by

Executive Director
Title

APPROVED AS TO LEGAL SUFFICIENCY

 JAN 10 1995

Counsel, Port of Portland

PSY100003124



Spencer Environmental Services, Inc.

15770 Beaver Glen Drive
Oregon City, Oregon 97045
(503) 655-0896

P.O. Box 84062
Seattle, Washington 98134
(206) 467-7988

January 3, 1995

**Suzanne L. Brooks
Port of Portland
Box 3529
Portland, Or. 97208**

Re: Ballast Water Treatment Plant - Permit and Right-of-Entry

Dear Suzanne,

We are returning the copies of the permit. They have been signed. The E. P. A. ID. Number is correct.

We have ordered a new insurance policy copy for you. You should already have one on file.

Thank you for your assistance on this.

Sincerely,

SPENCER ENVIRONMENTAL SERVICES, INC.



**R. M. Lavadure
Oil Division Manager**

	TANK TESTING	TANK REMOVAL
WASTE OIL REMOVAL	HAZARDOUS WASTE TRANSPORTER	SUMP CLEANING

PSY100003125

**PORT OF PORTLAND
PERMIT AND RIGHT-OF-ENTRY
FOR USE OF BALLAST WATER TREATMENT PLANT
PORTLAND SHIP YARD**

Date Issued: _____

Permit No.: _____

PERMITTEE:

Spencer Environmental Services, Inc.
914 Molalla Ave., Suite 204
Oregon City, OR 97045

Contact: Donald M. Spencer
Phone: (503) 655-0896

E.P.A. ID No.: 980836415

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described Premises in accordance with the terms and conditions set forth below.

A. Premises and Permitted Use: The "Premises" consist of those portions of the Portland Ship Yard ("PSY") over which Permittee must pass to reach the Ballast Water Treatment Plant ("BWTP"). Permittee may use the Premises for the limited purpose of transfer by truck of oily marine ballast water or slops to the BWTP. Port may accept oily marine ballast water or slops only if the material meets the Port's standards for acceptability and the Port has capacity at the BWTP to handle the material. Permittee shall not deliver or attempt to deliver non-marine material to the BWTP. Oily marine ballast water or slops generated outside PSY must be pre-approved by special application to the Port by the company generating the product.
THE PORT RESERVES THE RIGHT TO REFUSE OILY MARINE BALLAST WATER OR SLOPS FOR ANY REASON AND TO REQUIRE A CERTIFICATE OF CHEMICAL ANALYSIS PRIOR TO ACCEPTANCE OF ANY MATERIAL.

Permittee agrees to comply with all Port policies, procedures, rules and regulations relating to use of the BWTP, including but not limited to rules adopted by the Port's Executive Director or Director of the Portland Ship Yard. Permittee shall furnish its E.P.A. Identification number, a Coast Guard Certificate of Adequacy, and current licenses, permits or inspection certificates for vehicles coming into PSY.

B. Term of Permit: The term of the Permit shall be January 1, 1995 through December 31, 1995, unless terminated as provided herein.

C. Compensation to be Paid by Permittee: Permittee shall owe no compensation for use of the BWTP, provided that Permittee acts only as a hauler of oily marine ballast water or slops.

The company generating the oily marine ballast water or slops ("Company") will be responsible for payment to the Port for disposal, in accordance with the current PSY Price Schedule rates.

D. Port's Right to Terminate: Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit, verbally or in writing, at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity: Permittee is an independent contractor and agrees to fully indemnify, hold harmless and defend the Port, its commissioners, directors, officers, agents and employees from and against all claims, penalties, actions, damages, injuries, any financial loss or expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the acts or omissions of, or use or occupancy of the Premises by Permittee, its agents, contractors, invitees, employees, or any person or entity acting at the direction or under the control of Permittee.

F. No Benefit to Third Parties: The Port and Permittee are the only parties to this Permit and as such are the only parties entitled to enforce its terms. Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance: In addition to any special insurance requirements, Permittee shall maintain an occurrence form commercial general and automobile liability insurance policy or policies for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit or occasioned by reason of operations of the Permittee on or from the Premises with insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. Policies shall be endorsed to provide coverage for sudden and accidental pollution. Such insurance shall name the Port, its commissioners, directors, officers, and employees as additional insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Permittee is a qualified self-insured employer, a copy of Contractor's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised,

nonrenewed, or cancelled. Upon request, Permittee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Permit.

H. Liens: The Permittee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with the Permittee's consent to be furnished to or for the Permittee in, upon, or about the Premises or improvements thereon, which may be secured by any mechanic's, materialmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Permittee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Permittee to procure a payment bond in the amount of the contested lien.

I. Assignment of Interest of Rights: The Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Permit, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

K. Warranties/Guarantees: The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance With Law: Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, and minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's Executive Director, or the Executive Director's designee.

M. Notices: All notices required under this Permit shall be sent to the addresses set forth below:

Spencer Environmental Services, Inc.
914 Molalla Ave., Suite 204
Oregon City, OR 97045
Attn: Donald M. Spencer

Port of Portland
5555 N. Channel Ave., Bldg. 50
Portland, OR 97217
Attn: Contracts Administrator

N. Hazardous Substances: No use may be made of, on, or from the Premises relating to the handling, storage, disposal, transportation, or discharge of Hazardous Substances, as that term is defined in Section O below, except for uses which are incidental to any business conducted

on the Premises, the primary purpose of which is not the handling, storage, disposal, transportation, or discharge of Hazardous Substances. All of such uses shall be in strict conformance with all applicable federal, state, or local laws, rules, and regulations, as the same may be amended from time to time.

The Permittee shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release, or disposal of a Hazardous Substance, as defined herein, on, under, or adjacent to the Premises, or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to the Permittee or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises. In the event of a leak, spill, or release of a Hazardous Substance on the Premises or the threat of or reasonable suspicion of the same, for which Permittee is responsible under this Permit or any law or regulation, the Permittee shall, at its own cost and expense, immediately undertake all emergency response necessary to contain, clean up, and remove the Hazardous Substance and shall undertake within a reasonable time all investigatory, remedial, and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substances is eliminated, and the Premises restored to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations, and the Port shall have the right to approve all investigatory, remedial, and removal procedures and the company(ies) and/or individual(s) conducting said procedures. Within 30 days following completion of such investigatory, remedial, and/or removal action, the Permittee shall provide the Port with a certification acceptable to the Port that all such contamination has been eliminated. Any costs incurred by or assessed against the Port shall be paid by Permittee promptly after the Port incurs the obligation to pay such amounts or determines that an assessment is duly owing and so notifies the Permittee.

O. Hazardous Waste Indemnity: In addition to the indemnity provided in Section E above, Permittee agrees to indemnify, hold harmless, and defend the Port and the Port's commissioners, directors, officers, employees, agents, and contractors from and against all Costs (as defined below) incurred or assessed under Environmental Laws (as defined below), which Costs arise out of, are in connection with, or are a result of the acts or omissions of the Permittee, or Permittee's officers, directors, employees, agents, representatives, contractors, invitees or any other person or entity acting by or on behalf of the Permittee:

(A) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances (as defined below), including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and

telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(B) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (as defined below) or relate to the protection of health, safety or the environment.

(C) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include without limitation asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.

(D) "Premises" shall be deemed to include the soil and water table thereof.

Permittee shall, at its sole expense, defend any and all actions, suits, and proceedings for which Permittee is responsible relating to matters covered by the indemnity set forth in Section O which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against the Port in any such action or proceeding.

P. Security of Oily Marine Ballast Water or Slops: Permittee shall take all reasonable steps to ensure that nobody will add anything to oily marine ballast water or slops delivered pursuant to this Permit between the time Permittee receives the oily marine ballast water or slops from the Company and the time Permittee delivers it to the BWTP. Reasonable steps shall include but not be limited to locking and sealing tanks on trucks used to transport oily marine ballast water or slops to PSY under this Permit.

Q. Entire Agreement: This Permit represents the entire agreement between the parties, and supersedes all prior or contemporaneous agreements or communication, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

Spencer Environmental Services, Inc.

Port of Portland



Signature

Authorized by

R.M. Lavadure
Typed Name

Title

Oil Division Manager
Title

January 3, 1995
Date

12/13/94 j:\brook\legal\boilerpl\bwtpm g95.doc

PSY100003131



Port of Portland

Box 3529, Portland, Oregon 97208
503/231-5000

March 10, 1994

Ms. Sylvia R. Rasmussen
U.S. Army Corps of Engineers
Portland District
P.O. Box 2946
Portland, Oregon 97208-2946

Re: Blanket Purchase Order No.: DACW57-94-A-0115
CENPP-CT-PP

Dear Ms. Rasmussen:

Enclosed is a signed copy of the above referenced blanket purchase agreement covering the U.S. Army Corps of Engineer's use of the Portland Ship Yard's Ballast Water Treatment Plant ("BWTP").

I have enclosed information which explains the Port's policies and procedures for bringing oily marine ballast water or slops to the BWTP, and a list of the truck haulers currently under permit to transfer oily marine ballast water to the BWTP.

Please be aware that these Permits will terminate March 31, 1994. The Port is in the process of reviewing its policies and agreements for use of the BWTP, and will be implementing new forms and procedures and entering into new truck hauler permits beginning April 1, 1994. Please be sure any hauler you wish to use has a current permit in place, and be sure to check with Port staff before bringing in any material. Also, a new Price Schedule for the Yard becomes effective April 1, 1994, which will increase the charges for use of the BWTP by outside generators to \$7.00 per barrel and a \$250.00 minimum charge per truck load.

If you have any questions, please feel free to contact me at 240-3012.

Sincerely,

Suzanne L. Brooks
Contracts Administrator
Portland Ship Yard

Enclosures

Port of Portland offices located in Portland, Oregon, U.S.A.
Chicago, Illinois; Washington, D.C.; Hong Kong; Seoul; Taipei; Tokyo

Printed on recycled paper

PSY100003132

bc: George P. McShea (w/o enclosures)
Mic Dorrance (w/o enclosures)
Neil Muller (w/o enclosures)
Jerry Johnson (w/ enclosures)
Marie Mullins (w/o enclosures)
Susie Barfield (w/ agreement copy)

ORDER FOR SUPPLIES OR SERVICES

(Contractor must submit four copies of Invoice)

OMB No. 0704-0187
Expires Aug 31, 1992

1

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0187), Washington, DC 20503. Please DO NOT RETURN your form to either of these addresses. Send your completed form to the procurement official identified in item 6.

1. CONTRACT/PURCH ORDER NO. DACW57-94-A-0115		2. DELIVERY ORDER NO.		3. DATE OF ORDER. 02/24/94		4. REQUISITION/PURCH REQUEST NO. *****-*****-****		5. PRIORITY	
6. ISSUED BY U.S. ARMY CORPS OF ENGINEERS PORTLAND DISTRICT P.O. BOX 2946 PORTLAND OREGON 97208-2946 SYLVIA R. RASMUSSEN M05 (503)-326-6419		CODE DACW57		7. ADMINISTERED BY CODE 00				8. DELIVERY FOB [] DEST [X] OTHER (See Schedule)	
9. CONTRACTOR Vendor Id: 00003988 NAME AND ADDRESS PORT OF PORTLAND P.O. BOX 3529 PORTLAND OR 97232-		CODE 007Y3		FACILITY CODE		10. DELIVER TO FOB POINT BY		11. MARK IF BUS. IS [] SMALL [] SMALL DIS-ADVANTAGED [] WOMEN-OWNED	
14. SHIP TO U.S. ARMY CORPS OF ENGINEERS LOGISTICS WAREHOUSE 8010 NW ST. HELENS ROAD PORTLAND OR 97210-3699 DACW5794A0115		CODE 19		15. PAYMENT WILL BE MADE BY DISBURSING OFFICER US ARMY ENGINEER DIST. PORTLAND P.O. BOX 2946 PORTLAND OR 97208-2946 (503) 326-6984		CODE FOA		MARK ALL PACKAGES AND PAPERS WITH CONTRACT OR ORDER NUMBER	
16. DELIVERY		This delivery order is issued on another Government agency or in accordance with and subject to terms and conditions of above numbered contract.							
PURCHASE		Reference your _____ furnish the following on terms specified herein.							
ACCEPTANCE. THE CONTRACTOR HEREBY ACCEPTS THE OFFER REPRESENTED BY THE NUMBERED PURCHASE ORDER AS IT MAY PREVIOUSLY HAVE BEEN OR IS NOW MODIFIED, SUBJECT TO ALL OF THE TERMS AND CONDITIONS SET FORTH, AND AGREES TO PERFORM THE SAME. <u>PORT OF PORTLAND</u> <u>Suzanne L. Brooks</u> <u>Suzanne L. Brooks, Contracts Administrator</u> <u>3/9/94</u> NAME OF CONTRACTOR SIGNATURE TYPED NAME AND TITLE DATE SIGNED <input type="checkbox"/> If this box is marked, supplier must sign Acceptance and return the following number of copies:									
17. ACCOUNTING AND APPROPRIATION DATA/LOCAL USE									
18. ITEM NO.	19. SCHEDULE OF SUPPLIES/SERVICE	20. QUANTITY ORDERED/ACCEPTED*	21. UNIT	22. UNIT PRICE	23. AMOUNT				
	SEE ATTACHED TERMS AND CONDITIONS								
*If quantity accepted by the Government is same as quantity ordered, indicate by x. If different, enter actual quantity accepted below quantity ordered and encircle.		24. UNITED STATES OF AMERICA <u>Sylvia R. Rasmussen</u> BY: SYLVIA R. RASMUSSEN M05 CONTRACTING/ORDERING OFFICER			25. TOTAL 0.00		29. DIFFERENCES		
26. QUANTITY IN COLUMN 20 HAS BEEN [] INSPECTED [] RECEIVED [] ACCEPTED AND CONFORMS TO THE CONTRACT EXCEPT AS NOTED DATE SIGNATURE OF AUTHORIZED GOVERNMENT REP.		27. SHIP. NO. [] PARTIAL [] FINAL		28. D.O. VOUCHER NO.		30. INITIALS			
36. I certify this account is correct and proper for payment DATE SIGNATURE AND TITLE OF CERTIFYING OFFICER		31. PAYMENT [] COMPLETE [] PARTIAL [] FINAL		32. PAID BY		33. AMT VERIFIED CORRECT FOR			
						34. CHECK NUMBER			
						35. BILL OF LADING NO.			
37. REC'D AT	38. RECEIVED BY	39. DATE REC'D	40. TOTAL CONT.	41. S/R ACCOUNT NUMBER	42. S/R VOUCHER NO.				

**PORT OF PORTLAND
PERMIT AND RIGHT-OF-ENTRY
FOR USE OF BALLAST WATER TREATMENT PLANT
PORTLAND SHIP YARD**

Date Issued: 1/1/95

Permit No.: P00295

PERMITTEE:

West Coast Marine Cleaning, Inc.
455 "C" Street
Washougal, WA 98671

Contact: L. R. Smith
Phone: (206) 835-3780

E.P.A. ID No.: WAD988479440

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described Premises in accordance with the terms and conditions set forth below.

A. Premises and Permitted Use: The "Premises" consist of those portions of the Portland Ship Yard ("PSY") over which Permittee must pass to reach the Ballast Water Treatment Plant ("BWTP"). Permittee may use the Premises for the limited purpose of transfer by truck of oily marine ballast water or slops to the BWTP. Port may accept oily marine ballast water or slops only if the material meets the Port's standards for acceptability and the Port has capacity at the BWTP to handle the material. Permittee shall not deliver or attempt to deliver non-marine material to the BWTP. Oily marine ballast water or slops generated outside PSY must be pre-approved by special application to the Port by the company generating the product. **THE PORT RESERVES THE RIGHT TO REFUSE OILY MARINE BALLAST WATER OR SLOPS FOR ANY REASON AND TO REQUIRE A CERTIFICATE OF CHEMICAL ANALYSIS PRIOR TO ACCEPTANCE OF ANY MATERIAL.**

Permittee agrees to comply with all Port policies, procedures, rules and regulations relating to use of the BWTP, including but not limited to rules adopted by the Port's Executive Director or Director of the Portland Ship Yard. Permittee shall furnish its E.P.A. Identification number, a Coast Guard Certificate of Adequacy, and current licenses, permits or inspection certificates for vehicles coming into PSY.

B. Term of Permit: The term of the Permit shall be January 1, 1995 through December 31, 1995, unless terminated as provided herein.

C. Compensation to be Paid by Permittee: Permittee shall owe no compensation for use of the BWTP, provided that Permittee acts only as a hauler of oily marine ballast water or slops.

The company generating the oily marine ballast water or slops ("Company") will be responsible for payment to the Port for disposal, in accordance with the current PSY Price Schedule rates.

D. Port's Right to Terminate: Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit, verbally or in writing, at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity: Permittee is an independent contractor and agrees to fully indemnify, hold harmless and defend the Port, its commissioners, directors, officers, agents and employees from and against all claims, penalties, actions, damages, injuries, any financial loss or expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the acts or omissions of, or use or occupancy of the Premises by Permittee, its agents, contractors, invitees, employees, or any person or entity acting at the direction or under the control of Permittee.

F. No Benefit to Third Parties: The Port and Permittee are the only parties to this Permit and as such are the only parties entitled to enforce its terms. Nothing in this Permit gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance: In addition to any special insurance requirements, Permittee shall maintain an occurrence form commercial general and automobile liability insurance policy or policies for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit or occasioned by reason of operations of the Permittee on or from the Premises with insurance of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage. Policies shall be endorsed to provide coverage for sudden and accidental pollution. Such insurance shall name the Port, its commissioners, directors, officers, and employees as additional insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Permittee is a qualified self-insured employer, a copy of Contractor's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised,

nonrenewed, or cancelled. Upon request, Permittee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Permit.

H. Liens: The Permittee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which have been furnished or ordered with the Permittee's consent to be furnished to or for the Permittee in, upon, or about the Premises or improvements thereon, which may be secured by any mechanic's, materialmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Permittee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Permittee to procure a payment bond in the amount of the contested lien.

I. Assignment of Interest of Rights: The Permittee shall not, in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees: If suit or action is instituted in connection with any controversy arising out of this Permit, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

K. Warranties/Guarantees: The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance With Law: Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, and minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's Executive Director, or the Executive Director's designee.

M. Notices: All notices required under this Permit shall be sent to the addresses set forth below:

West Coast Marine Cleaning, Inc.
455 "C" Street
Washougal, WA 98671
Attn: L. R. Smith

Port of Portland
5555 N. Channel Ave., Bldg. 50
Portland, OR 97217
Attn: Contracts Administrator

N. Hazardous Substances: No use may be made of, on, or from the Premises relating to the handling, storage, disposal, transportation, or discharge of Hazardous Substances, as that term is defined in Section O below, except for uses which are incidental to any business conducted

on the Premises, the primary purpose of which is not the handling, storage, disposal, transportation, or discharge of Hazardous Substances. All of such uses shall be in strict conformance with all applicable federal, state, or local laws, rules, and regulations, as the same may be amended from time to time.

The Permittee shall immediately notify the Port upon becoming aware of: (1) any leak, spill, release, or disposal of a Hazardous Substance, as defined herein, on, under, or adjacent to the Premises, or threat of or reasonable suspicion of any of the same; and/or (2) any notice or communication from a governmental agency or any other person directed to the Permittee or any other person relating to such Hazardous Substances on, under, or adjacent to the Premises or any violation of any federal, state, or local laws, regulations or ordinances with respect to the Premises or activities on the Premises. In the event of a leak, spill, or release of a Hazardous Substance on the Premises or the threat of or reasonable suspicion of the same, for which Permittee is responsible under this Permit or any law or regulation, the Permittee shall, at its own cost and expense, immediately undertake all emergency response necessary to contain, clean up, and remove the Hazardous Substance and shall undertake within a reasonable time all investigatory, remedial, and/or removal action necessary or appropriate to ensure that any contamination by the Hazardous Substances is eliminated, and the Premises restored to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations, and the Port shall have the right to approve all investigatory, remedial, and removal procedures and the company(ies) and/or individual(s) conducting said procedures. Within 30 days following completion of such investigatory, remedial, and/or removal action, the Permittee shall provide the Port with a certification acceptable to the Port that all such contamination has been eliminated. Any costs incurred by or assessed against the Port shall be paid by Permittee promptly after the Port incurs the obligation to pay such amounts or determines that an assessment is duly owing and so notifies the Permittee.

O. Hazardous Waste Indemnity: In addition to the indemnity provided in Section E above, Permittee agrees to indemnify, hold harmless, and defend the Port and the Port's commissioners, directors, officers, employees, agents, and contractors from and against all Costs (as defined below) incurred or assessed under Environmental Laws (as defined below), which Costs arise out of, are in connection with, or are a result of the acts or omissions of the Permittee, or Permittee's officers, directors, employees, agents, representatives, contractors, invitees or any other person or entity acting by or on behalf of the Permittee:

(A) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances (as defined below), including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and

telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(B) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances (as defined below) or relate to the protection of health, safety or the environment.

(C) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include without limitation asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.


(D) "Premises" shall be deemed to include the soil and water table thereof.

Permittee shall, at its sole expense, defend any and all actions, suits, and proceedings for which Permittee is responsible relating to matters covered by the indemnity set forth in Section O which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgments, orders, and decrees that may be entered against the Port in any such action or proceeding.

P. Security of Oily Marine Ballast Water or Slops: Permittee shall take all reasonable steps to ensure that nobody will add anything to oily marine ballast water or slops delivered pursuant to this Permit between the time Permittee receives the oily marine ballast water or slops from the Company and the time Permittee delivers it to the BWTP. Reasonable steps shall include but not be limited to locking and sealing tanks on trucks used to transport oily marine ballast water or slops to PSY under this Permit.

Q. Entire Agreement: This Permit represents the entire agreement between the parties, and supersedes all prior or contemporaneous agreements or communication, written or oral. No amendment to this Permit shall be effective unless in writing and signed by the parties hereto.

West Coast Marine Cleaning, Inc.


Signature

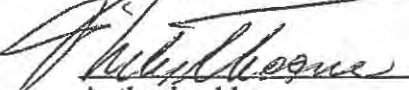
L. R. Smith
Typed Name

General Manager
Title

12/15/94
Date

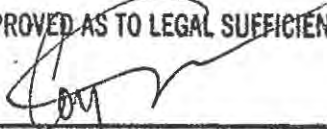
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Port of Portland


Authorized by

Executive Director
Title

APPROVED AS TO LEGAL SUFFICIENCY


Counsel, Port of Portland

PSY100003140



Port of Portland

Box 3529, Portland, Oregon 97208
503/231-5000

January 19, 1994

Mark Leichner
Clark County Disposal, Inc.
9411 NE 94th Avenue
Vancouver, WA 98602

Re: Permit and Right-of-Entry
Use of Portland Ship Yard Autoclave
Port Agreement No.: P00294

Dear Mr. Leichner:

Enclosed for your files is a fully executed copy of the Permit and Right-of-Entry providing for your use of the Portland Ship Yard's autoclave for calendar year 1994.

We have received a copy of your insurance certificate. However, we still need evidence of Workers' Compensation coverage for the Permit period. Please forward this to me as soon as possible.

If you have any questions, please call me at 240-3012.

Sincerely,

Suzanne L. Brooks
Contracts Administrator
Portland Ship Yard

/slb

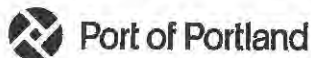
Enclosure

c: Neil Muller

Port of Portland offices located in Portland, Oregon, U.S.A.
Chicago, Illinois; Washington, D.C.; Hong Kong; Seoul; Taipei; Tokyo

Printed on recycled paper

PSY100003141



PERMIT AND RIGHT-OF-ENTRY

PERMITTEE:

Clark County Disposal, Inc.
9411 NE 94th Ave.
Vancouver, WA 98662

RECEIVED
JAN - 4 1994

ENGINEERING SERVICES
LLOYD BLDG.

No. P00294
Date Issued: 1/7/1994

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described premises in accordance with the terms and conditions set forth below and printed on the reverse side of this document.

Premises and Permitted Use: Truck transfer of ship generated garbage for sterilization at
the PSY Autoclave facility. Permittee must be certified by APHIS and must comply with
all Port regulations.

Term of Permit: The effective date of this Permit and Right-of-Entry shall be from January 1 19 94,
to December 31, 19 94, unless terminated as provided herein.

Special Insurance Requirements: See Attachment A

Compensation to be Paid by Permittee: Rate established by current PSY Price Schedule.

Both parties agree to be bound by the terms and conditions of this Permit and Right-of-Entry.

PERMITTEE

By: *Mark Lechner*
Typed Name: MARK LEICHER
Title: 12/28/93 PRESIDENT
Date: 12-28-93
Address: 9411 NE 94th AVE
VANCOUVER, WA 98662

PORT OF PORTLAND

By: *Mike Thomas*
Title: Executive Director
Date: January 7, 1994
Address: P.O. Box 3529

Portland, OR 97208
APPROVED AS TO LEGAL SUFFICIENCY

[Signature]
Counsel, Port of Portland

This form has been approved as to Legal Sufficiency by the Port's Legal Counsel. Any Special Insurance required by this Permit and Right-of-Entry shall be determined by the Port's Risk Management Division. All terms and conditions printed on the reverse side of this document are incorporated by reference herein and shall apply to this Permit and Right-of-Entry.

A. Premises

Permittee shall use the Premises solely for the business or purposes set forth in this Permit and Right-of-Entry.

B. Basic Payment

Permittee shall pay the Port all fees and charges in accordance with the provisions set forth herein.

C. Place of Payments

Payment shall be to Port at the Port of Portland, P.O. Box 5095, Portland, Oregon 97208, or such other place as Port may designate. All amounts not paid by Permittee when due shall bear interest at the rate of eighteen percent (18%) per annum. The interest rate of eighteen percent (18%) on overdue accounts is subject to periodic adjustment to reflect the Port's then current interest rate charged on overdue accounts.

D. Port's Right to Terminate

Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit and Right-of-Entry at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity

Permittee is an independent contractor and agrees to fully indemnify, hold harmless and defend the Port, its commissioners, officers, directors, agents, and employees from and against all claims, actions, damages, injuries, any financial loss or expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the acts or omissions of, or use or occupancy of the premises by, the Permittee, its agents, contractors, invitees, employees, or any person acting at the direction or under the control of Permittee.

F. No Benefit to Third Parties

The Port and Permittee are the only parties to this Permit and Right-of-Entry and as such are the only parties entitled to enforce its terms. Nothing in this Permit and Right-of-Entry gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance

In addition to any special insurance requirements, Permittee shall maintain comprehensive general and automobile liability insurance for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit and Right-of-Entry caused by Permittee's use of the Premises. The insurance required by this paragraph shall have a combined single limit of not less than one million and No./100 Dollars (\$1,000,000) per occurrence. Such insurance shall name the Port, its commissioners, officers, directors, agents, and employees as additional insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Permittee is a qualified self-insured employer a copy of Permittee's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit and Right-of-Entry.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit and Right-of-Entry. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised, nonrenewed, or cancelled.

H. Taxes

Permittee agrees to pay all lawful taxes and assessments which during the term hereof or any extension may become a lien or which may be levied by the state, county, city, or any other tax-levying body upon the Premises or Improvements, or upon any taxable interest of Permittee acquired in this Permit, or any taxable possessory right which Permittee may have in or to the Premises or the Improvements thereon by reason of its occupancy thereof, as well as all taxes on all taxable property, real or personal, owned by Permittee in or about said Premises. In the event that the term of this Permit or any extension thereof ends after June 30 of any year, Permittee shall be responsible for payment of property taxes for the entire tax year without proration, or, in the event of any change in property tax law, for any taxes due under such law.

I. Assignment of Interest or Rights

Permittee shall not in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

J. Attorney Fees

If suit or action is instituted in connection with any controversy arising out of this Permit and Right-of-Entry, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable for attorney fees at trial or on appeal.

K. Warranties/Guarantees

The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. The Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that the Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

L. Compliance with Law

Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, FAA regulations, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's executive director, or the executive director's designee.

M. Notices

All notices required under this Agreement shall be sent to the address set forth in this Permit and Right-of-Entry.

ATTACHMENT "A"

Hazardous Substances Indemnity:

In addition to the indemnity provided in Section E, the Permittee agrees to indemnify, hold harmless, and defend the Port from and against all Costs (as defined below) incurred by the Port or assessed against the Port under Environmental Laws (as defined below), which Costs arise out of, or are in connection with, the actual or alleged use, generation, treatment, handling, storage, discharge, transportation, or disposal of Hazardous Substances (as defined below), including any actual or alleged spill, leak or other release. As used in this Section:

(a) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of and injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances, including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(b) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances or relating to the protection of human health, safety or the environment, including but not limited to, the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. Ch. 6901 et seq.); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. Ch. 9601, et seq.); the Toxic Substances Control Act (15 U.S.C. Ch. 2601, et seq.); Superfund Amendment and Reauthorization Act of 1986 (SARA) (P.L. 99-499, October 17, 1986); the Solid Waste Disposal Act (42 U.S.C. Ch. 3251, et seq.); the Federal Fungicide and Rodenticide Act/Pesticide Act (7 U.S.C. Ch. 13 et seq.); the Safe Drinking Water Act (44 U.S.C. Ch. 3330 et seq.); the Clean Air Act (42 U.S.C. Ch. 7401 et seq.); the Federal Water Pollution Control Act/Clean Water Act (33 U.S.C. Ch. 1257 et seq.); the Oil Pollution Control Act of 1990 (33 U.S.C. Ch. 2761 et seq.); the Clean Water Act (33 U.S.C. Ch. 1251 et seq.); the Oregon Revised Statutes relating to community information on hazardous waste reduction (ORS 453.307 et seq.); toxic use reduction and hazardous waste reduction (ORS 465.003 et seq.); environmental cleanup of hazardous substances, hazardous wastes, and oil contamination (ORS 465.200 et seq.); notice of environmental hazards (ORS 466.360 et seq.); use of PCBs (ORS 466.505 et seq.); spill response and cleanup of hazardous materials and oil (ORS 466.605 et seq.); underground storage tanks (ORS 466.705 et

seq.); penalties for noncompliance (ORS 466.880 et seq.); water pollution control (ORS 468.691 et seq.); oil spills (ORS 468.780 et seq.); asbestos abatement (ORS 468.875 et seq.); any similar or equivalent laws; and any implementing laws, regulations, rules, and ordinances.

(c) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants as are defined or designated as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.



PERMIT AND RIGHT-OF-ENTRY

No. A001-93
Date Issued: 12/28/92

PERMITTEE:

Clark County Disposal, Inc.
9411 NE 94th Ave.
Vancouver, WA 98662

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described premises in accordance with the terms and conditions set forth below and printed on the reverse side of this document.

Premises and Permitted Use: Truck transfer of ship generated garbage for sterilization at the PSRY Autoclave facility. Permittee must be certified by APHIS and must comply with all Port regulations.

Term of Permit: The effective date of this Permit and Right-of-Entry shall be from January 1 19 93, to December 31 19 93, unless terminated as provided herein.

Special Insurance Requirements: See Attachment A

Compensation to be Paid by Permittee: \$270.00 per cycle

Both parties agree to be bound by the terms and conditions of this Permit and Right-of-Entry.

PERMITTEE
By: Mark Leichner
Typed Name: MARK LEICHNER
Title: PRESIDENT
Date: DECEMBER 7 1992

PORT OF PORTLAND
By: John Thomas
Title: EXECUTIVE DIRECTOR
Date: 12/18/92

This form has been approved as to Legal Sufficiency by the Port's Legal Counsel. Any Special Insurance required by this Permit and Right-of-Entry shall be determined by the Port's Risk Management Division. All terms and conditions printed on the reverse side of this document are incorporated by reference herein and shall apply to this Permit and Right of Entry.

A. Premises

Permittee shall use the Premises solely for the business or purposes set forth in this Permit and Right-of-Entry.

B. Basic Payment

Permittee shall pay the Port all fees and charges in accordance with the provisions set forth herein.

C. Place of Payments

Payment shall be to Port at the Port of Portland, P.O. Box 3529, Portland, Oregon 97208, or such other place as Port may designate. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) per annum. The interest rate of eighteen percent (18%) on overdue accounts is subject to periodic adjustment to reflect the Port's then current interest rate charged on overdue accounts.

D. Port's Right to Terminate

Notwithstanding any provision contained herein, the Port through its authorized representative may terminate this Permit and Right-of-Entry verbally or in writing, at any time for its convenience or for Permittee's default. Upon notice of termination, the Permittee shall immediately leave the Premises. Permittee's obligations and liability to the Port shall survive termination. Unless waived by the Port, the Permittee shall restore the Premises to its condition at the commencement hereof, ordinary wear and tear excepted.

E. Indemnity

Permittee is an independent contractor and agrees to fully indemnify, save harmless and defend the Port, its commissioners, officers, directors, agents, and employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, including reasonable attorney's fees, based upon or arising out of the acts or omissions of, or use or occupancy of the premises by, the Permittee, its agents, contractors, invitees or employees.

F. No Benefit to Third Parties

The Port and Permittee are the only parties to this Permit and Right-of-Entry and as such are the only parties entitled to enforce its terms. Nothing in this Permit and Right-of-Entry gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

G. Insurance

In addition to any special insurance requirements, Permittee shall maintain comprehensive general and automobile liability insurance for the protection of Permittee and the Port, its commissioners, directors, officers, agents, and employees, and insuring Permittee against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to this Permit and Right-of-Entry caused by Permittee's use of the Premises with insurance having a combined single limit of not less than one million and No./100 Dollars (\$1,000,000) per occurrence. Such insurance shall name the Port, its commissioners, officers, directors, agents, and employees as additional named insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by the Permittee. The coverage provided by this policy shall be primary and any other insurance carried by Port is excess.

Permittee shall maintain in force Workers' Compensation insurance coverage for Employers' Liability and, if applicable, Longshore and Harbor Workers' Compensation Act. If Contractor is a qualified self-insured employer a copy of Contractor's Certificate of Compliance and a certificate of insurance evidencing excess insurance shall be forwarded to Port upon execution of this Permit and Right-of-Entry.

Permittee shall furnish to the Port a certificate evidencing the date, amount and type of insurance that has been procured pursuant to this Permit and Right-of-Entry. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised, nonrenewed, or cancelled.

H. Assignment of Interest or Rights

Permittee shall not in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

I. Attorney Fees

If suit or action is instituted in connection with any controversy arising out of this Permit and Right-of-Entry, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable for attorney fees at trial or on appeal.

J. Warranties/Guarantees

The Permittee acknowledges that it has inspected the Premises and has found them to be completely acceptable and safe for Permittee's intended use. The Port makes no warranty, guarantee, or averment of any nature whatsoever concerning the physical condition of the Premises, and it is agreed that the Port will not be responsible for any loss, damage or costs which may be incurred by Permittee by reason of any such physical condition.

K. Compliance with Law

Permittee shall comply with all applicable state, federal, and local laws, including but not limited to, FAA regulations, City of Portland zoning ordinances and laws, rules, regulations, and policies concerning equal opportunity, nondiscrimination, Workers' Compensation, minimum and prevailing wage requirements, and the rules and regulations adopted by the Port, the Port's executive director, or the executive director's designee.

L. Notices

All notices required under this Agreement shall be sent to the address set forth in this Permit and Right-of-Entry.

ATTACHMENT "A"

Hazardous Substances Indemnity:

In addition to the indemnity provided in Section E, the Permittee agrees to indemnify, hold harmless, and defend the Port from and against all Costs (as defined below) incurred by the Port or assessed against the Port under Environmental Laws (as defined below), which Costs arise out of, or are in connection with, the actual or alleged use, generation, treatment, handling, storage, discharge, transportation, or disposal of Hazardous Substances (as defined below), including any actual or alleged spill, leak or other release. As used in this Section:

(a) "Costs" shall include, but not be limited to: (i) all claims of third parties, including governmental agencies, for damages, response costs, or other relief; (ii) the cost, expense or loss to the Port of and injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (iii) all expenses of evaluation, testing, analysis relating to Hazardous Substances, including fees of attorneys, engineers, consultants, paralegals and experts; (iv) all expenses of reporting the existence of Hazardous Substances to any agency of the State of Oregon or the United States as required by applicable Environmental Laws; (v) any and all expenses or obligations, including attorneys' and paralegal fees, incurred at, before, and after any trial or appeal therefrom or any administrative proceeding or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses; and (vi) any damages, costs, liabilities and expenses which are claimed to be owed by any federal or state regulating and administering agency.

(b) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances or relate to the protection of human health, safety or the environment, including but not limited to, the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. Ch. 6901 et seq.); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. Ch. 9601 et seq.); the Toxic Substances Control Act (15 U.S.C. Ch. 2601 et seq.); Superfund Amendment and Reauthorization Act of 1986 (SARA) (P.L. 99-499, October 17, 1986); the Solid Waste Disposal Act (42 U.S.C. Ch. 3251, et seq.); the Federal Insecticide Fungicide and Rodenticide Act/Pesticide Act (7 U.S.C. Ch. 13 et seq.); the Safe Drinking Water Act (42 U.S.C. Ch. 300(f) et seq.); the Clean Air Act (42 U.S.C. Ch. 7401 et seq.); the Federal Water Pollution Control Act/Clean Water Act (33 U.S.C. Ch. 1251 et seq.); the Oil Pollution Control Act of 1990 (33 U.S.C. Ch. 2761 et seq.); the Oregon Revised Statutes relating to community information on hazardous waste reduction (ORS 453.307 et seq.); toxic use reduction and hazardous waste reduction (ORS 465.003 et seq.); environmental cleanup of hazardous substances, hazardous wastes, and oil contamination (ORS 465.200 et seq.); notice of environmental hazards (ORS 466.360 et seq.); treatment storage, and disposal of hazardous waste and PCBs (ORS 466.005 et seq.); use of PCBs (ORS 466.505 et seq.); spill response and cleanup of hazardous materials and oil (ORS

466.605 et seq.); underground storage tanks (ORS 466.705 et seq.); penalties for noncompliance (ORS 466.880 et seq.); water pollution control (ORS 468.691 et seq.); oil spills (ORS 468.780 et seq.); asbestos abatement (ORS 468.875 et seq.); any similar or equivalent laws; and any implementing laws, regulations, rules, and ordinances.

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Port of Portland

PERMIT AND RIGHT-OF-ENTRY

No. A-001-92

Date Issued: 6/24/92

Clark County Disposal, Inc.

9411 NE 94th Ave.

Vancouver, WA 98662

Attn: Don Anderson

The Port of Portland hereby grants to Permittee the right to enter upon and use the below-described premises in accordance with the terms and conditions set forth below and printed on the reverse side of this document.

Premises and Permitted Use: Truck transfer of ship generated garbage for sterilization at the PSRY Autoclave facility. Permittee must be certified by APHIS and must comply with all Port regulations.

Term of Permit: The effective date of this Permit and Right-of-Entry shall be from July 1 19 92, to December 31 19 92.

Special Insurance Requirements: See Attachment A

\$ 270.00

Compensation to be Paid by Permittee: \$200.00 per cycle

Both parties agree to be bound by the terms and conditions of this Permit and Right-of-Entry.

PERMITTEE

Signature: Mark Leichner

Typed Name: Mark Leichner

Title: President

Date: 6-15-92

PORT OF PORTLAND

Authorized By: [Signature]

Title: Director PSRY

EF
6/23/92

This form has been approved as to Legal Sufficiency by the Port's Legal Counsel. Any Special Insurance required by this Permit and Right-of-Entry shall be determined by the Port's Risk Management Division. All terms and conditions printed on the reverse side of this document are incorporated by reference herein and shall apply to this Permit and Right of Entry.

A. Premises

Permittee shall use the Premises solely for the business or purposes set forth in this Permit and Right-of-Entry.

B. Basic Payment

Permittee shall pay the Port all fees and charges in accordance with the provisions set forth herein.

C. Place of Payments

Payment shall be to Port at the Port of Portland, P.O. Box 3529, Portland, Oregon 97208, or such other place as Port may designate. All amounts not paid by Lessee when due shall bear interest at the rate of eighteen percent (18%) per annum. The interest rate of eighteen percent (18%) on overdue accounts is subject to periodic adjustment to reflect the Port's then current interest rate charged on overdue accounts.

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E. Indemnity

Permittee is an independent contractor and agrees to fully indemnify, save harmless and defend the Port, its commissioners, officers and employees from and against all claims and actions and all expenses incidental to the investigation and defense thereof, based upon or arising out of damages or injuries to persons or property, caused by the fault or negligence in whole or in part of the Permittee, its agents, contractors, or employees in the use or occupancy of the Premises.

F. No Benefit to Third Parties

The Port and Permittee are the only parties to this Permit and Right-of-Entry and as such are the only parties entitled to enforce its terms. Nothing in this Permit and Right-of-Entry gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

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Permittee shall furnish to the Port a certificate as attached evidencing the date, amount and type of insurance that has been procured pursuant to this Permit and Right-of-Entry. All policies of insurance will provide for written notice to the Port and the Permittee before such policies may be revised, nonrenewed, or cancelled.

H. Assignment of Interest of Rights

Permittee shall not in any manner, directly or indirectly, by operation of law or otherwise, sublease, assign, transfer or encumber any of Permittee's rights granted by this instrument. Any attempted assignment or transfer shall be void.

I. Attorney Fees

If suit or action is instituted in connection with any controversy arising out of this Permit and Right-of-Entry, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal as allowed by the appellate court.

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(b) "Environmental Laws" shall be interpreted in the broadest sense to include any and all federal, state, and local statutes, regulations, rules, and ordinances now or hereafter in effect, as the same may be amended from time to time, which govern Hazardous Substances or relating to the protection of human health, safety or the environment, including but not limited to, the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. Ch. 6901 et seq.); the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) (42 U.S.C. Ch. 9601, et seq.); the Toxic Substances Control Act (15 U.S.C. Ch. 2601, et seq.); Superfund Amendment and Reauthorization Act of 1986 (SARA) (P.L. 99-499, October 17, 1986); the Solid Waste Disposal Act (42 U.S.C. Ch. 3251, et seq.); the Federal Fungicide and Rodenticide Act/Pesticide Act (7 U.S.C. Ch. 13 et seq.); the Safe Drinking Water Act (42 U.S.C. Ch. 3330 et seq.); the Clean Air Act (42 U.S.C. Ch. 7401 et seq.); the Federal Water Pollution Control Act/Clean Water Act (33 U.S.C. Ch. 1257 et seq.); the Oil Pollution Control Act of 1990 (33 U.S.C. Ch. 2761 et seq.); the Clean Water Act (33 U.S.C. Ch. 1251 et seq.); the Oregon Revised Statutes relating to community information on hazardous waste reduction (ORS 453.307 et seq.); toxic use reduction and hazardous waste reduction (ORS 465.003 et seq.); environmental cleanup of hazardous substances, hazardous wastes, and oil contamination (ORS 465.200 et seq.); notice of environmental hazards (ORS 466.360 et seq.); use of PCBs (ORS 466.505 et seq.); spill response and cleanup of hazardous materials and oil (ORS 466.605 et seq.); underground storage tanks (ORS 466.705 et seq.); penalties for noncompliance (ORS 466.880 et seq.); water pollution control (ORS 468.691 et seq.); oil spills (ORS 468.780 et seq.); asbestos

abatement (ORS 468.875 et seq.); any similar or equivalent laws; and any implementing laws, regulations, rules, and ordinances.

(c) "Hazardous Substances" shall be interpreted in the broadest sense to include any substances, materials, wastes, pollutants, oils, or regulated substances, or contaminants or are defined or designed as hazardous, toxic, radioactive, dangerous, or any other similar term in or under any of the Environmental Laws, and shall specifically include asbestos and asbestos-containing materials, petroleum products, including crude oil or any fraction thereof, and urea formaldehyde, and any other substance that, because of its quantity, concentration, or physical, chemical, or infectious characteristics, may cause or threaten a present or potential hazard to human health or the environment when improperly generated, used, stored, handled, treated, discharged, disposed of, or released.



Port of Portland

Box 3529 Portland, Oregon 97208
503/231-5000

July 1, 1992

Mark Leichner
Clark Count Disposal, Inc.
9411 NE 94th Ave.
Vancouver, WA 98662

Dear Mr. Leichner:

Enclosed for your files is a Portland Ship Repair Yard Permit and Right of Entry to allow your company access to the yard for sterilization of ship-generated garbage at the Port's autoclave facility.

The permit is effective through December 31, 1992. Please use your permit number A-001-92 on all correspondence with the Port.

To complete your file, I need an insurance certificate showing evidence of the insurance requirements spelled out in Section G of the Permit.

Please call me at 240-3012 if you have any questions about the permit process. Questions concerning the operation of the facility should be directed to Neil Muller at 240-3041.

Sincerely,

Emily Erzen
Contracts Administration Manager
Portland Ship Repair Yard

Enclosure

cc: Neil Muller
Nick Peters

*letter to Leichner
correction w/ \$270.00
charge*



Port of Portland offices located in Portland, Oregon U.S.A.
Chicago, Illinois, Washington, D.C., Hong Kong, Seoul, Taipei, Tokyo

PSY100003154


COMPLIANCE AGREEMENT

1. NAME AND MAILING ADDRESS OF PERSON OR FIRM Clark County Disposal Group P.O. Box 4698 Vancouver, Washington 98662-0698 503/294-0284 206/892-5370	2. LOCATION 9411 N.E. 94th Avenue Vancouver, Washington 98662-2029
--	--

3. REGULATED ARTICLE(S) Regulated Garbage
--

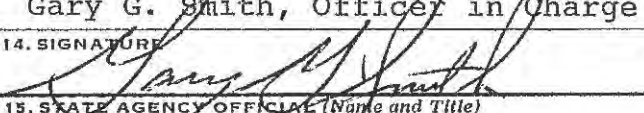
4. APPLICABLE FEDERAL QUARANTINE(S) OR REGULATIONS Title 7 CFR 330.400 Title 9 CFR 94.5

6. I/We agree to the following: (See attached.)
--

7. SIGNATURE  Mark Leichner	8. TITLE President	9. DATE SIGNED 6-9-92
--	-----------------------	--------------------------

The affixing of the signatures below will validate this agreement which shall remain in effect until cancelled, but may be revised as necessary or revoked for noncompliance.

10. AGREEMENT NO. 01-90R
11. DATE OF AGREEMENT 6/10/92

12. PPQ OFFICIAL (Name and Title) 503/326-2814 Gary G. Smith, Officer in Charge	13. ADDRESS USDA-APHIS-PPQ 657 Federal Building 511 NW Broadway Portland, OR 97209-3490
14. SIGNATURE 	16. ADDRESS -N/A-
15. STATE AGENCY OFFICIAL (Name and Title) -N/A-	
17. SIGNATURE	

Regulated Garbage Compliance Agreement No.01-90R: Clark County
Disposal Group

I. HANDLING PROCEDURES: (check the appropriate box or boxes)

- A. () The cartage/cleaning firm transports regulated garbage direct to a central place for further compacting and then directly to an approved disposal facility.
- (X) The cartage/cleaning firm manipulates, handles, or stores regulated garbage in a manner approved by the local PPQ office and in a designated area before disposal. (Storage of regulated garbage in plastic bags must be inside a closed building; if outside, must be in sealed plastic bags in a container with a tight-fitting lid.)
- (X) The cartage/cleaning firm transports regulated garbage directly from the vessel to the disposal facility in closed, leakproof containers without diversion.
- B. The cartage/cleaning firm will maintain a log which will include the approved caterer or vessel name, date, and the quantity of garbage (weight). This log will be made available to PPQ upon request.
- C. PPQ will be notified of any spillage. Cleaning and disinfecting will be accomplished immediately. **APHIS approved disinfectant must be kept at the catering facility for garbage spills, after thorough pickup and cleaning. Disinfectant is not to be used in enclosed food handling areas. Do not maintain the prediluted disinfectant for more than 6 months.**
- D. The cartage/cleaning firm will be responsible for all foreign food waste in its possession and will not permit misappropriation of any food items.
- E. The cartage/cleaning firm will use easily identifiable containers for foreign garbage. Rigid containers shall be lettered with the words "Foreign Garbage" or similar acceptable phrase. Lettering shall be at least 2 inches high on indoor containers and at least 4 inches high on outdoor containers.
- F. The truck/container to be used for a purpose other than hauling foreign garbage must have markings obliterated and be cleaned and disinfected under PPQ supervision prior to such use.
- G. All regulated garbage is to be kept completely separate from domestic garbage.

Regulated Garbage Compliance Agreement No. 01-90R: Clark County
Disposal Group

H. It is to be expressly understood that in the event regulated garbage has been compacted, it must be decompact prior to placement in the sterilizer/cooker.

I. (X) Incinerated to ash at Recomp of Washington .
 (name)

1524 Slater Road, Ferndale, Washington 98248 .
 (address)

OR

(X) Approved steam sterilizer or cooker located at

Port of Portland .
 (name)

Swan Island, Portland, Oregon .
 (address)

II. TRAINING:

- A. The carterer shall present a training program to all employees before they are permitted to handle or supervise the handling of regulated garbage.
- B. The training must be approved by the local PPQ officer in charge.
- C. The training must:
 - 1. Define regulated garbage;
 - 2. Explain garbage regulations and their purpose;
 - 3. Include film, slides, or other training aids on foreign animal/plant pests and diseases;
 - 4. Specifically outline step-by-step handling procedures for regulated garbage; and
 - 5. Be presented in English or other appropriate languages.

Regulated Garbage Compliance Agreement No. 01-90R: Clark County
Disposal Group

III. TRANSPORTATION OF REGULATED GARBAGE THROUGH RURAL AREAS:

- A. Garbage is to be placed in individual small leakproof containers and securely closed. These "immediate" containers must then be placed in a shipping or handling container that is also leakproof. This second container must be such that it is easily identified as regulated garbage, e.g., red-colored bags, conspicuous printing in letters 2-4 inches in height, or prominently tagged using at least a 3 x 5-inch tag with 1-inch minimum height printing. Plastic bags must be a minimum of 4-milliliters thickness each. It should be expressly understood that the "shipping or handling" container (second) should be discarded as a portion of the garbage. In the event this is not the case, the shipping or handling container **MUST** be cleaned and disinfected prior to leaving the disposal site.
- B. Containers must then be placed into a tightly covered, rigid, leakproof carrier that is to be secured by seal, lock, or similar device, for transportation through rural areas. Be advised that canvas or tarp covering is not acceptable.
- C. Routing of the transporting vehicle should be direct and/or expedient and every effort made to use the closest incinerator or cooker available.
- D. All carterer personnel, handling regulated garbage, must complete an approved training program prior to onset of duties and attend refresher procedures for reporting and handling emergency spills, maintaining control of regulated materials, and proper cleaning and disinfecting of affected equipment and areas.
- E. The cartage firm is responsible for providing personnel and chemicals to effectively maintain control of regulated materials in the event of a spill or other emergency. An adequate supply of approved chemicals must be available on each carrier vehicle to accomplish proper cleaning and disinfection of spillages. Appropriate PPQ offices, either at point of origin or destination, whichever might be most convenient, **MUST** be notified immediately when spillage occurs during the carting process.

Regulated Garbage Compliance Agreement No. 01-90R: Clark County
Disposal Group

(III. REGULATED GARBAGE THROUGH RURAL AREAS-continued:)

- F. Transportation and disposition records reflecting date, time, number, type, and approximate weight of containers transported, and driver of vehicle must be maintained for a period of 1 year from the end of the month in which the movement was made. Carterer must provide an inventory control system at the point of origin to enhance monitoring.
- G. Storage: Regulated garbage materials, properly containerized and identified, may be stored for a period not to exceed 4 days prior to transporting provided such material is placed in an enclosed, covered, leakproof, rodent- and bird-proof container or room, or confined area, capable of being locked and preferably under refrigeration. Carterer must provide for priority incineration or sterilization, without delay, at destination. Logs or records must be maintained by management for review by PPQ.

NOTE: This agreement may be immediately cancelled or revoked for noncompliance. Violation of these Federal regulations can result in a criminal penalty of up to a \$5,000 fine, a year in jail, or both, or a civil penalty and a fine of up to \$1,000 per violation.

NOTICE: By signing this agreement, the signer certifies that this facility has met, or will meet prior to handling APHIS regulated garbage, the requirements of all other applicable environmental authorities.



5555 N. CHANNEL AVENUE • P.O. BOX 4367 • PORTLAND, OREGON 97208
503-285-1111 • FAX 503-289-7179 • EASY LINK TELEX 62-784413

March 31, 1994

Ms Suzanne Brooks
5555 N Channel
Building 50
Portland, OR 97217

Dear Suzanne:

As per our discussion, we are intending to exercise our options to renew our leases on Building 71 (#89-141), Building 63 and Building 4 - Bay 9 (#89-142) for the five year option period.

Please advise if any additional documentation is required to complete this process.

Regards,

A handwritten signature in dark ink, appearing to read 'Ernest N. Brawley', is written over the typed name.

Ernest N. Brawley
Vice President Finance

Cascade General Long Term Lease
For Bldg 71 and Yard Space

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LONG-TERM
LEASE OF IMPROVED SPACES

THIS LEASE, dated November 1, 1989, by and between THE PORT OF PORTLAND, a port district of the State of Oregon, hereinafter referred to as "Port," and CASCADE GENERAL, INC. a corporation organized under the laws of the State of Oregon, hereinafter referred to as "Lessee."

ARTICLE I - PREMISES

Section 1.1. - Description: Port Leases to Lessee, and Lessee Leases from the Port on the terms and conditions stated below, the Premises consisting of a 14,823 square foot office building commonly known as Building 71 and 30,946 square feet of yard space shown on Exhibit "A", (hereinafter referred to as "Premises"). Upon construction or installation of any improvements or additional improvements in, under or upon the Premises, such improvements shall become a part of the Premises unless otherwise stated herein.

Section 1.2 - Use of Premises: Lessee may use the Premises only for the following purposes: Offices in support of Lessee's ship repair, ship conversion, ship construction, and Portland Ship Repair Yard (PSRY) related industrial fabrication activities.

1.2.1 No other use may be made of the Premises without the Port's prior written consent. Without limiting the forgoing, no use

may be made of, on, or from the Premises relating to the handling, storage, disposal, transportation, or discharge of Hazardous Substances, as defined in Section 6.2.1, without the prior consent of the Port.

1.2.2 The Lessee shall not use or permit in the Premises anything that might be dangerous to life or limb; or in any manner deface or injure said building or any portion thereof; or overload the floors; or to permit any objectionable noise or odor to escape or to be emitted from the Premises; or permit anything to be done upon the Premises in any way tending to create a nuisance; or to injure the reputation of the building; or to permit the use of said building for lodging or sleeping purposes.

ARTICLE II - TERM

Section 2.1 - Term: The initial term of this Lease shall commence on November 1, 1989 and the term shall continue through June 30, 1994, unless the Lease is earlier terminated under the provisions herein.

Section 2.2 - Renewal Option: If the Lease is not in default upon the Exercise Date and the Port has no other use for the premises, in the Port's sole discretion, the Lessee shall have one five-year option to renew this Lease on the same terms and conditions. The option shall be exercised by notice in writing given to the Port not less than ninety (90) days nor more than one hundred

eighty days (180) before the last day of the expiring term. The day on which the written notice is given as provided herein shall be the "Exercise Date".

ARTICLE III - RENTAL

Section 3.1 - Basic Rent: For the initial period from commencement of this Lease through June 30, 1992, Lessee shall pay to Port as rent \$10,750.56 per month, based on 14,823 square feet of office space at \$0.60 per square foot and 30,946 square feet of yard space at \$0.06 per square foot.

Section 3.2 - Rent Adjustment: During the last three (3) months of the initial period, and of any three year increment of this Lease or any extension thereof, the rental rate shall be established for the ensuing three Lease years ("Adjustment Period"). Such adjustments shall be based on the Fair Market Rental Value for the Premises. In no event shall the monthly rent be less than the most recent adjustment for the subject Premises throughout the term of this Lease or any extension thereof.

3.2.1 Prior to a rental adjustment, the Port shall notify Lessee pursuant to Section 9.17 of its determination of the Fair Market Rental Value of the Premises for the Adjustment Period. The Fair Market Rental Value as stated in such notice shall commence on the first day of the Adjustment Period after the date of such notice unless the Lessee requests arbitration, in which event the Fair

Market Rental Value shall be determined in accordance with Section 3.3. The failure of Lessee to give any notice hereunder shall be deemed an acceptance by the Lessee of the Port's determination of the Fair Market Rental Value. If the Port fails to notify Lessee of its determination of the Fair Market Rental Value, in accordance with this section, then the Fair Market Rental Value shall be determined in accordance with the arbitration process described below in Section 3.3.

Section 3.3 - Arbitration: In the event the parties cannot agree upon the Fair Market Rental Value of the Premises, then such value for the ensuing period shall be determined by one arbitrator. After notice by either party to the other party requesting arbitration, the parties shall select one arbitrator agreeable to each party. During the arbitration period, the Lessee shall pay the current rental rate in effect under this Lease. The arbitrator shall be an MAI appraiser licensed in the State of Oregon with at least ten (10) years continuous appraisal experience in the Portland area including extensive experience in appraising office, commercial and industrial land and buildings. The arbitrator shall, for purposes of arbitration proceeding, apply the rules of the American Arbitration Association but without the intervention or participation of the American Arbitration Association. If the parties fail to select an arbitrator, on application by either party, the arbitration shall be appointed by the presiding judge of the Circuit Court of the State of

Oregon, County of Multnomah. Each party shall bear the expense of the appointed arbitrator and all other expenses of conducting the arbitration equally. Each party shall bear its own expenses for witnesses, depositions, and attorneys, if deemed necessary. As used herein, "Fair Market Rental Value" shall mean the highest price in terms of money which a property will bring in an open and competitive rental market under all conditions requisite to a fair rental transaction, the buyer and seller each acting prudently and knowledgeably; assuming: (1) the value is not affected by undue stimulus; and (2) the value is based on the use of the Premises, allowed by this Lease. The arbitrator shall give special consideration to the then prevailing rental rates for comparable buildings and improvements within the PSRY. The Fair Market Rental Value determined by the arbitrator shall be binding upon the parties, effective and retroactive to the first day of the rental period under arbitration. Any adjustment between the rental amount paid during arbitration, and amount determined to be owed, shall be made on the rental due date following the arbitration decision. The arbitrator's decision and award shall be governed by Oregon Revised Statutes 33.210 and 33.240, except to the extent that those statutes are superseded by the Federal Arbitration Act (9 U.S.C. Ch. 1, et seq.)

Section 3.4 - Time and Place of Payments: Lessee shall pay the Port the then prevailing monthly rent on or before the tenth day of each month in advance. Payments are considered delinquent if not paid when due. Payment shall be to Port at the Port of Portland, PO Box 5095, Portland, Oregon 97208, or other such place as the Port may designate. All amounts not paid by Lessee when due shall bear a delinquency charge at the rate of eighteen percent (18%) per annum. The delinquency charge of eighteen percent (18%) on overdue accounts is subject to periodic adjustment to reflect the Port's then current interest rate charged on overdue accounts.

Section 3.5 - Acceptance of Late Rent: The Port shall be entitled at its sole and complete discretion, to either accept or reject a tender payment of rent which is not paid when due. In the event the Port elects to accept a tender of payment of rent after the time when such payment was due, the Port may do so without thereby waiving any default based upon the failure of Lessee to make such payment then due and without waiving Lessee's continuing obligation to make such payments when required under the terms of this Lease. Lessee hereby acknowledges that this constitutes a waiver by Lessee of any argument that by accepting a late payment of rent, the Port has waived any default which is based upon such late payment or has waived Lessee's continuing obligation to make such payments when and as required by the terms of this Lease.

ARTICLE IV - LESSEE'S OTHER OBLIGATIONS

Section 4.1 - Construction of Improvements/Alterations: At least 45 days prior to any construction, alteration, or changes upon the Premises or improvements, the Lessee shall submit to the Port final plans and specifications, site-use plan, and architectural rendering thereof and shall not commence any construction until it has received the Port's written approval. All plans for construction, alteration, or changes shall be signed by an architect or engineer licensed in the State of Oregon. Should the Port fail to take action concerning plans and/or specifications submitted to it within 45 days, said plans and/or specifications shall be deemed approved.

4.1.1 No such work shall be undertaken until Lessee has procured and paid for, so far as the same may be required from time to time, all municipal and other governmental permits and authorizations required with respect to the work. Procurement of such permits and authorizations shall be subsequent to Lessee's obtaining Port approval pursuant to Section 4.1.

4.1.2 All work shall be performed in a good and workmanlike manner and, in the case of alterations or additions to existing improvements, shall be of such quality and type that, when completed, the value and utility of the improvements which were changed or altered shall not be less than the value and utility of such improvements immediately before such change or alteration. All work shall be prosecuted with reasonable dispatch.

4.1.3 Thirty days after the completion of any work under this Section 4.1, Lessee shall deliver to the Port complete and fully detailed "AS-BUILT" drawings of the completed improvements prepared by an architect licensed by the State of Oregon.

Section 4.2 - Maintenance: Except for Port maintenance responsibilities provided in Section 5.1 herein, Lessee shall keep and maintain the Premises and improvements of any kind, which may be erected, installed, or made thereon by Lessee or the Port, in good and substantial repair and condition, and shall make all necessary repairs and alterations thereto at Lessee's sole expense. Said maintenance responsibilities are identified on Exhibit B attached hereto. Lessee shall, at Lessee's expense, provide proper containers for trash and garbage and shall keep the Premises free and clear of rubbish, debris, and litter at all times.

Section 4.3 - Utilities: Lessee shall promptly pay any charges for sewer, water, gas, electricity, telephone, and all other charges for utilities which may be furnished to the Premises. In no event shall the Lessee overload the electrical circuits from which the Lessee obtains current.

4.3.1 The utilities provided by the Port which include water, sewer, and gas heat shall be charged a rate of \$2,223.45 per month based on \$0.15 per square foot for 14,823 square feet. Payment is due on or before the tenth day of each month in advance. Rates are subject to change upon 30 days written notice by the Port. Telephone

service, electric service, refuse collection, and janitorial services are the responsibility of the Lessee.

Section 4.4 - Liens: Lessee agrees to pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, utilities, furnishings, machinery, or equipment which may have been furnished or ordered with the Lessee's consent to be furnished to or for the Lessee in, upon, or about the Premises or improvements, which may be secured by any mechanic's, materialsmen's, or other lien against the Premises or improvements or the Port's interest therein, and will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, provided that the Lessee may in good faith contest any mechanic's or other liens filed or established, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest, provided that the Port may require the Lessee to procure a payment bond in the amount of the contested lien.

Section 4.5 - Taxes: Unless exempt, Lessee agrees to pay all lawful taxes and assessments which during the term or any extension hereof may become a lien or which may be levied by the State, County, City, or any other tax levying body upon the Premises or upon any taxable interest by Lessee acquired in this Lease or any taxable possessory right which Lessee may have in or to the Premises of facilities hereby Leased or the improvements thereon by reason of its

occupancy thereof as well as all taxes on all taxable property, real or personal, owned by Lessee in or about said Premises. Upon making such payments, Lessee shall give to the Port a copy of the receipts and vouchers showing such payment. Lessee understands that if the term of this Lease or any extension thereof shall end after June 30 of any year, the Lessee shall be responsible for payment of property taxes for the entire year without proration.

Section 4.6 - Access to the Premises: The Port shall at all times during ordinary business hours have the right to enter upon the Premises and Improvements for the purposes of: (1) inspecting the same; (2) confirming the performance by Lessee of its obligations under this Lease; (3) doing any other act which the Port may be obligated or have the right to perform under this Lease, or reasonably related thereto; and (4) for any other lawful purpose. Such inspections shall be made only at a mutually agreeable time to all parties except in cases of emergency.

Section 4.8 - Safety Requirements: The Lessee shall exercise due and reasonable care and caution to prevent and control fire on the Premises and to that end shall provide and maintain such fire suppression and other fire protection equipment as may be required pursuant to applicable governmental laws, ordinances, statutes, and codes for the purpose of protecting the Improvements adequately and restricting the spread of any fire from the Premises to any property adjacent to the Premises.

ARTICLE V - PORT OBLIGATIONS AND WARRANTIES

Section 5.1 - Maintenance: Except for Lessee's obligations to repair damage or destruction caused by its activities on the Premises, and except for Lessee's obligations described in Section 4.2 herein, the Port shall be responsible for the maintenance specified on Exhibit B. The Lessee shall be responsible for any maintenance not specifically identified as a responsibility of the Port.

Section 5.2 - Port's Warranty of Ownership: Port warrants that it is the owner of the Premises and has the right to Lease said Premises under the terms of this Lease. Subject to the Lessee performing all obligations of this Lease, the Lessee's possession of the Premises will not be disturbed by the Port or anyone claiming by, through or under the Port and the Port will defend Lessee's right to quiet enjoyment of the Premises from disturbance by anyone claiming by, through or under the Port.

Section 5.3 - Condition of Premises: The Port makes no warranties or representations regarding the condition of the Premises. The Lessee has inspected and accepts the Premises in an "as is" condition upon taking possession, and the Port shall have no liability to the Lessee for any damage or injury caused by the condition of Premises.

ARTICLE VI - INDEMNITY AND INSURANCE

Section 6.1 - Liability: The Port shall not be liable to the Lessee for damage to person or property resulting from the negligence of a co-tenant or anyone else other than the Port, or for any damage to person or property resulting from any condition of the Premises or other cause, including but not limited to damage by water, not resulting from the negligence of the Port.

Section 6.2 - General Indemnity: Lessee covenants and agrees to indemnify and hold harmless, the Port, its commissioners, directors, officers, and employees from any and all actual or potential liability, claims, demands, damages, expenses, fees (including attorney's, accountants', and paralegal fees), fines, penalties, suits, proceedings, actions, and causes of action which may be imposed upon or incurred by the Port due to the acts or omissions of any person or entity whatsoever (excluding only the wilful acts or gross negligence of the Port), and which: (1) arise from or are in any way connected with Lessee's use, occupation, management or control of the Premises whether or not due to Lessee's wilful act or omission or gross negligence and whether or not occurring on the Premises; or (2) result from any breach, violation, or nonperformance by Lessee of any of its obligations under this Lease. The Port agrees to indemnify Lessee for any injury to any person or damage to any property occurring on or about the Premises if such injury or damage results from the sole negligence of the Port.

6.2.1 In addition to the indemnity provided in Section 6.2 above, the Lessee agrees to indemnify, save and hold harmless the Port, its commissioners, directors, officers, and employees from and against all damages, costs, liabilities, and expenses caused by, arising out of, or in connection with, the handling, storage, discharge, transportation, or disposal of hazardous or toxic wastes or substances, pollutants, oils, materials or contaminants, or regulated substances as those terms are defined by federal, state, or local Environmental Law or regulation (Collectively "Hazardous Substances"), including but not limited to, the Resource Conservation and Recovery Act (RCRA) (42 U.S.C. Ch.6901 et. seq.); the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) (42 U.S.C. Ch. 9601, et. seq.); Superfund Amendment and Reauthorization Act of 1986 (SARA) (P.L. 99-499, October 17, 1986) as amended; the Toxic Substances Control Act (15 U.S.C. Ch. 2601, et. seq.); the Clean Water Act (33 U.S.C. Ch. 1251, et. seq.); the Clean Air Act (42 U.S.C. Ch. 7401 et. seq.); Solid Waste Disposal Act (42 U.S.C. Ch. 3251, et. seq.); 1985 Oregon Laws Ch. 733, and 1987 Oregon Laws Ch. 540 as the same may be amended from time to time (collectively "Environmental Law"), on the Premises by Lessee or any other person or entity other than the Port including but not limited to (a) claims of third parties, including governmental agencies, for damages, response costs, indolences or other relief; (b) the cost, expense or loss to the Port of any injunctive relief, including preliminary or temporary injunctive relief, applicable to the Port or the Premises; (c) the expense, including fees of attorneys, engineers, paralegals and

experts, reporting the existence of said Hazardous Substances or contaminants to any agency of the State of Oregon or the United States as required by applicable laws or regulations; (d) any and all expenses or obligations, including attorney's and paralegal fees, witness fees (expert and otherwise), deposition costs, copying and telephone charges and other expenses, all of which shall be paid by Lessee promptly after the Port incurs the obligation to pay such amounts. Such damages, costs, liabilities and expenses shall include such as are claimed to be owed by any regulating and administering agency. As used in Article VI, the word "Premises" shall be deemed to include the soil and water table thereof

6.2.2 Promptly upon written notice from the Port or from any governmental entity, the Lessee shall remove from the Premises (including without limitation the soil or water table thereof) all Hazardous Substances in existence after the date on which Lessee first obtained possession of the Premises, including periods of possession under any month-to-month leases prior to the effective date of this Lease, and shall restore the Premises to clean, safe, good, and serviceable condition. Any such cleanup shall be in conformance with all applicable governmental rules and regulations.

Section 6.3 - Duty to Defend: Lessee shall, at its sole expense, defend any and all actions, suits, and proceedings relating to matters covered by the indemnity set forth in Section 6.2 which may be brought against the Port or in which the Port may be impleaded, and shall satisfy, pay, and discharge any and all judgements, orders, and

decrees that may be entered against the Port in any such action or proceeding.

Section 6.4 - Insurance:

6.4.1 Lessee shall keep the Premises together with any and all improvements placed thereon continuously insured with an insurance underwriter(s) satisfactory to the Port and authorized to do business in the State of Oregon. The policy(ies) shall be written on an all risk form in an amount equal to 90% of the new replacement value of the improvements on the Premises.

6.4.2 Lessee shall maintain a commercial general and automobile liability insurance policy or policies for the protection of Lessee and the Port, its commissioners, directors, officers, and employees, insuring Lessee and the Port against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations of Lessee on or from the Premises with insurance of not less than \$5,000,000 combined single limit.

6.4.3 All insurance shall name the Port, its commissioners, directors, officers, and employees as additional named insureds with the stipulation that this insurance, as to the interest of the Port only therein, shall not be invalidated by any act or neglect or breach of contract by Lessee.

6.4.4 Lessee certifies that it has qualified for State of Oregon Worker's Compensation coverage for all of its employees, either

as a direct responsibility employer as provided by the Worker's Compensation law of Oregon or as a Contributing Employer.

6.4.5 Lessee shall furnish to the Port a certificate(s) of insurance evidencing the date, amount, and type of insurance that has been procured pursuant to this Lease. All policies of insurance shall remain in full force during the term hereof and shall provide for not less than thirty days' written notice to the Port and Lessee before such policies may be nonrenewed, cancelled, or the coverage and/or limits of insurance be reduced. Upon request, the Lessee shall provide the Port with a copy or copies of any insurance policy provided pursuant to this Lease.

6.4.6 The Port shall have the right to review the coverage and limits of insurance required herein as determined to be necessary by the Port. In the event the Port determines that such coverage and/or limits should be modified, the Port will provide 30-days notice to the Lessee of such determination and the Lessee shall, if the coverage is expanded and/or the limits are increased, modify its coverage to comply with with new requirements and provide the Port with an updated certificate.

Section 6.5 - Damage or Destruction of Premises:

6.5.1 Except as provided in this Lease, if during the term of this Lease, the Premises are totally or partially destroyed by fire or any other cause, the Lessee shall immediately notify the Port. The Port shall have the option and shall within 60 days from notice from the Lessee of the damage or destruction, notify the Lessee in writing

whether or not the Port will require the Lessee to repair, rebuild or restore the Premises and improvements or to terminate this Lease. Upon giving such notice to terminate, this Lease shall terminate as of the date of said notice and the Port will be entitled to the net proceeds of any insurance. In the event of such termination, the Lessee shall remove, or pay for the cost of removing the damaged improvements or other facilities from the Premises.

6.5.2 In the event the Port elects to require the Lessee to rebuild, such rebuilding shall be at the Lessee's expense and be substantially the same condition and character as before the damage or destruction and be completed as soon as practicable. Any insurance proceeds relative to the Port's ownership interest shall be applied to the required rebuilding and restoration. Any rebuilding, restoration, or repair shall comply with the provisions of this Lease. If the existing laws do not permit the restoration, either party can terminate this Lease immediately by giving notice to the other party, in which event all insurance proceeds relative to the Port's ownership interest due as a result of the damage or destruction shall be tendered to the Port.

Section 6.6 - Waiver of Subrogation: The Port and Lessee agree that each forfeits any right of action that it may later acquire against the other of the parties to the Lease for loss or damage to its property, or to property in which it may have an interest, to the extent that such loss is covered by the provision of the Lessee's property damage policy or policies.

ARTICLE VII - TERMINATION

Section 7.1 - Termination by the Port: The Port shall be entitled to terminate this Lease as provided herein and as otherwise provided by law.

Section 7.2 - Termination by the Lessee: The Lessee shall be entitled to terminate this Lease as provided herein and as otherwise provided by law.

Section 7.3 - Duties on Termination: Upon termination of the Lease for any reason, Lessee shall deliver all keys to the Port and surrender the Leased Premises in good condition. Alterations constructed by the Lessee shall be removed at the sole discretion of the Port, and, if removal is required, the Premises shall be restored to its original condition. Depreciation and wear from ordinary use for the purpose for which the Premises were let need not be restored, but all repairs for which the Port has determined the Lessee responsible shall be completed prior to such surrender. The Lessee's obligations under this paragraph shall be subordinate to the provisions of Section 6.5 related to destruction.

Section 7.4 - Title to Improvements: Subject to the provisions of Section 7.3, upon termination of this Lease by the passage of time or for any reason, the Port shall have the option to either require removal of all structures, installations, or improvements installed by Lessee within ninety (90) days after the expiration of the Lease at

Lessee's expense or shall have the option to take title to such structures, installations, and improvements.

Section 7.5 - Fixtures:

7.5.1 Upon termination of this Lease for any reason, any or all fixtures placed upon the Premises during the Lease Term, or any extension thereof, other than the Lessee's trade fixtures, shall, at the Port's option, become the property of the Port. Movable furniture, decorations, floor covering (other than hard surface bonded or adhesively fixed flooring), curtains, blinds, furnishings and trade fixtures shall remain the property of the Lessee if placed on the Premises by the Lessee. At or before the termination of this Lease, Lessee, at its expense, shall remove from the Premises any or all of Lessee's property required to be removed under the terms of this Lease, and shall repair any damage to the Premises resulting from the installation or removal of such property. Any items of Lessee's fixtures or personal property which remain on the Premises after the termination of this Lease in violation of this Section 7.5 may, at the option of the Port, be deemed abandoned. The Port shall have the option, in its sole discretion, of (a) retaining any or all of such abandoned property without any requirement to account to Lessee therefor, or (b) removing and disposing of any or all of such abandoned property and recovering the cost thereof, plus interest from the date of expenditure at the Port's then current interest rate, from Lessee upon demand.

7.5.2 If the Lessee fails to remove such fixtures, as required by this Lease, the Port may do so and charge the cost to the Lessee with interest at the Port's then current interest rate from the date of expenditure. In addition to any other applicable liability, the Lessee shall be liable to the Port for the cost of removal, transportation to storage, and storage with interest at the Port's then current interest rate on all such expenses from the date of expenditure by the Port.

7.5.2 The time for removal of any property or fixtures which the Lessee is required to remove from the Premises upon termination shall be as follows: (1) on or before the date the Lease terminates because of expiration of original or a renewal term or because of default; or (2) within 30 days after notice from the Port requiring such removal where the property to be removed is a fixture which the Lessee is not required to remove except after notice by the Port, and such date would fall after the date on which the Lessee would be required to remove other property.

Section 7.6 - Holding Over: If Lessee shall hold over after the expiration or termination of the Lease Term or any extension thereof with the consent of the Port, and shall not have agreed in writing with the Port upon the terms and provisions of a new Lease prior to such expiration, the Lessee shall remain bound by all terms, covenants, and agreements herein, except that (1) the tenancy shall be one from month-to-month subject to payment of all rent in advance; (2) title to improvements shall have vested with the Port pursuant to

Section 7.6 hereof, unless the Port provided notice to Lessee to remove such; (3) the Port shall have the right to adjust the rental payments upon thirty (30) days written notice to the Lessee; and (4) such month-to-month tenancy may be terminated at any time by written notice from the Port to the Lessee. In the event of hold over beyond June 30 of any year, the Lessee shall be responsible for payment of property taxes for the entire tax year without proration.

ARTICLE VIII - DEFAULT

Section 8.1 - Events of Default:

The following shall be events of default:

8.1.1 Default in Rent: Failure of Lessee to pay any rent or other charge as provided herein within ten days after it is due.

8.1.2 Default in Other Covenants: Except as provided in Section 8.1.5, failure of Lessee to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within thirty (30) days after written notice by Port specifying the nature of the default with reasonable particularity.

If the default is of such a nature that it cannot be completely remedied within the thirty-day period, this provision shall be complied with if Lessee begins correction of the default within the thirty-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

8.1.3 Insolvency: To the extent permitted by the United States Bankruptcy Code, insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee and the receiver is not discharged within thirty (30) days; the filing of an involuntary petition of bankruptcy and failure of the Lessee to secure a dismissal of the petition within thirty (30) days after filing; attachment of or the levying of execution on the Leasehold interest and failure of the Lessee to secure discharge of the attachment or release of the levy of execution within ten (10) days.

8.1.4 Abandonment: Failure of the Lessee for thirty (30) days or more to occupy the property for one or more of the purposes permitted under this Lease unless such failure is excused under other provisions of this Lease.

8.1.5 Correction of Emergency: Lessee fails to immediately commence correction of an emergency upon notice from the Port. In the event the emergency is not brought under control to the reasonable satisfaction of the Port, the Port may remedy or cure the emergency without written notice and charge the Lessee the costs of such remedy or cure. As used herein "emergency" shall mean any activity, cause, or effect under the control or direction of the Lessee, its employees, agents, invitees, guests, or subcontractors involving the health, safety, or general welfare of persons or property.

Section 8.2 - Remedies on Default:

8.2.1 In the event of a default under the provisions of Sections 8.1.1, 8.1.2, 8.1.3, and 8.1.4, the Port at its option may terminate the Lease and at any time may exercise any other remedies available under law or equity for such default. Any notice to terminate may be given before or within the grace period for default and may be included in a notice of failure of compliance. No termination of this Lease pursuant to Section 8.2 shall relieve Lessee of its liabilities and obligations under this Lease and any damages shall survive any such termination.

8.2.2 If the Lessee fails to perform any of its obligations under this Lease, the Port, without waiving any other remedies for such failure, may (but shall not be obligated to) perform such obligation for the account and at the expense of the Lessee, without notice in a case of emergency, and in any other case if such failure continues for 15 days after written notice from the Port specifying the nature of the failure. The Port shall not be liable to Lessee for any claim for damages resulting from any such action by the Port. Lessee agrees to reimburse the Port upon demand for any expense incurred by Lessor pursuant to this Lease together with interest thereon from the date of payment at the Port's then current interest rate.

8.2.3 Suit(s) or action(s) for the recovery of the rents and other amounts and damages, or for the recovery of possession may be brought by the Port, from time to time, at the Port's election, and nothing in this Lease will be deemed to require the Port to await the

date on which the Lease Term expires. Each right and remedy in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease or existing at law or in equity or by statute or otherwise, including, without limitation, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by landlord of any such rights or remedies will not preclude the simultaneous or later exercise by landlord of any other such rights or remedies. All such rights and remedies are nonexclusive.

ARTICLE IX - GENERAL PROVISIONS

Section 9.1 - Assignment: This Lease is personal to the Lessor and the Lessee. Except as provided herein, no part of the Premises nor any interest in this Lease may be assigned, mortgaged, or subleased, nor may a right of use of any portion of the Premises be conveyed or conferred on any third person by any other means without the prior written consent of the Port. Any assignment or attempted assignment without the Port's prior written consent shall be void. This provision shall apply to all transfers by operation of law. If the Lessee is a corporation, this provision shall apply to any sale of a controlling interest in the stock of the corporation.

9.1.1 Consent in one instance shall not prevent this provision from applying to a subsequent instance.

9.1.2 Other than the subleases for which the Port has given written consent concurrently with this Lease, in determining whether to consent to sublease, the Port may consider any factor, including

the following factors: financial ability; business experience; intended use.

Section 9.2 - Headings: The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease.

Section 9.3 - Attorney's Fees: If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in the event of appeal or review as allowed by the appellate court.

Section 9.4 - No Light or Air Easement: The reduction or elimination of Lessee's light, air, or view will not affect Lessee's liability under this Lease, nor will it create any liability of the Port to Lessee.

Section 9.5 - Time of Essence: Time is of the essence in each and every covenant and condition of this Lease.

Section 9.6 - Adherence to Law: Lessee shall adhere to all applicable Federal, State and local laws, rules, regulations, and ordinances, including but not limited to (1) laws governing its relationship with its employees, including but not limited to laws, rules, regulations and policies concerning Worker's Compensation and

minimum and prevailing wage requirements; (2) laws, rules, regulations and policies relative to occupational safety and health; (3) all federal, state regional and local laws, regulations and ordinances protecting the environment; and (4) all laws and regulations regarding the handling and disposal of Hazardous Substances.

9.6.1 Lessee shall not use or allow the use of the Premises or any part thereof for any unlawful purpose or in violation of any certificate of occupancy, any certificate of compliance, or of any other certificate, law, statute, ordinance, or regulation covering or affecting the use of the Premises or any part thereof Lessee shall not permit any act to be done or any condition to exist on the Premises or any part thereof which may be hazardous, which may constitute a nuisance, or which may void or make voidable any policy of insurance in force with respect to the Premises.

9.6.2 The Lessee shall promptly provide to the Port copies of all notices or other communications between the Lessee and any governmental entity which relate to the Lessee's noncompliance or alleged noncompliance with any law, ordinance, regulation, condition, or other applicable requirement lawfully imposed by any agency, governmental body, or quasi-governmental body having jurisdiction over the Lessee's use of the Premises.

9.6.3 Lessee shall obtain, and promptly advise the Port of receipt of all federal, state, or local governmental approvals or permits required by law or regulation for any activity or construction that Lessee may undertake on the Premises. Lessee shall provide the Port with copies of all such approvals and permits received by Lessee.

Section 9.7 - Law of Oregon: This Lease shall be governed by the laws of the State of Oregon. If a court of competent jurisdiction declares this Lease to be a public contract under ORS Chapter 279, then the parties agree that the contract provisions required by ORS Chapter 279 to be included in public contracts are hereby incorporated by reference and shall become a part of this Lease as if fully set forth herein.

Section 9.8 - No Benefit to Third Parties: The Port and Lessee are the only parties to this Lease and as such are the only parties entitled to enforce its terms. Nothing in this Lease gives or shall be construed to give or provide any benefit, direct, indirect, or otherwise to third parties unless third persons are expressly described as intended to be beneficiaries of its terms.

Section 9.9 - Consent of Port: Whenever consent, approval or direction by the Port is required under the terms contained herein, all such consent, approval or direction shall be received in writing from an authorized representative of The Port of Portland.

9.9.1 If Lessee requests the Port's consent or approval pursuant to any provision of the Lease and the Port fails or refuses to give such consent, Lessee shall not be entitled to any damages as a result of such failure or refusal, whether or not unreasonable, it being intended the Lessee's sole remedy shall be an action for specific performance or injunction, and that such remedy shall be available only in those cases in which the Port has in fact acted

unreasonably and has expressly agreed in writing not unreasonably to withhold its consent or may not unreasonably withhold its consent as a matter of law.

Section 9.10 - Admittance: The Port shall not be liable for the consequences of admitting by pass-key or refusing to admit to said Premises the Lessee or any of the Lessee's agents or employees or other persons claiming the right of admittance.

Section 9.11 - Delinquency Charges: Lessee acknowledges that late payment by Lessee to the Port of any rent due hereunder will cause the Port to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Accordingly, if any rent is not received by the Port when it is due, Lessee shall pay to the Port a delinquency charge in accordance with Section 3.4. The parties hereby agree that such delinquency charge represents a fair and reasonable payment by Lessee. Acceptance of any delinquency charge by the Port shall in no event constitute a waiver of Lessee's default with respect to the overdue amount in question, nor prevent the Port from exercising any of the other rights and remedies granted hereunder.

Section 9.12 - Regulations: The Port may, from time to time, adopt and enforce rules and regulations not in conflict with the terms of this Lease with respect to the use of said Premises, and Lessee agrees to observe and obey such rules and regulations.